

Introduction

Argyll Community Housing Association (ACHA) is currently considering the rental charges for 2018/19 and we want your views on our rent proposal.

We have set out within this leaflet information to help you understand how ACHA uses your money and what commitments we have in our business plan, a comparison of ACHA rents and tenants satisfaction, information on affordability and value for money and the proposed rent increase.

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 or go to our website and submit your comments via our online survey at www.acha.co.uk

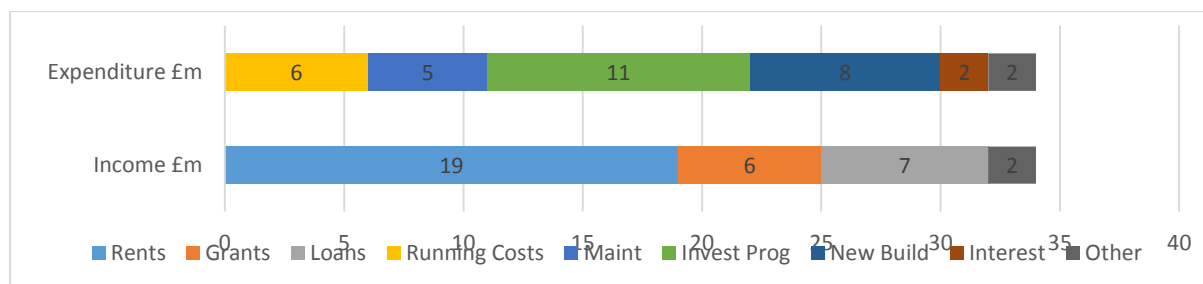
Who decides and when will ACHA agree the annual rent for 2018/19?

ACHA’s Board of Management will consider all view and comments we receive together with the financial implications at its meeting on 8th February 2018. You will be advised of any changes to your rent by the end of February 2018. Any rent increase will be applied with effect from Monday 2nd April 2018.

Why is a rent increase proposed?

Our aim is simple, to improve, develop and manage quality affordable homes across Argyll and Bute. To do this we have an approved business plan to ensure our on-going financial viability. This includes continuing to provide first class services to all our tenants, whilst continuing to improve the quality of all of our homes through capital investment. There is a new build development programme and this is partly paid for by grants with the net cost met by borrowing 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 Did We Spend Your Money in 2016-17?



In 2016/17 ACHA spent around £34m. The biggest proportion was invested in the housing stock. Around £16m was invested in existing houses through the investment programme and maintenance and £8m was spent on building new houses. Management or running costs were around £6m with interest counting for £2m leaving £2m of other costs. Rents were the biggest source of income at £19m then loans taken £7m, grants for new build of £6m and other income of £2m.

ACHA - Putting Our Tenants and Our Communities First **ACHAs Business Plan**

ACHA has already spent £125m on major repairs and investment in properties to meet the Scottish Housing Quality Standard (SHQS). We plan to spend a further £50m over the next 5 years to all ensure all properties meet SHQS and the Energy Efficiency Standard for Social Housing (EESH). We also plan to spend around £5.1m per annum on reactive repairs and planned maintenance.

So far we have borrowed £44m and expect to borrow a further £20m over the next 5 years. The borrowing has paid for investment in major repairs and part of the cost of new build houses – which is offset by rental income from the new build houses. The annual cost for interest is expected to increase from £1.8m to £3.5m as we borrow more money.

We spend around £6m per annum on management costs. This pays for the cost of staff delivering services, day to day running costs and also costs like insurance etc. Our management costs per house are less than the Scottish average.

How do ACHA rents compare to others?

Compared to other Registered Social Landlords (RSLs) our rents remain low. Our average weekly rent for 2016/17 of £75.29 was lower than:

- the average for all RSLs of £83.02
- the average for RSLs with more than 2,500 houses of £83.84
- the average for the 6 council housing stock transfers of £75.52
- the average for our 12 benchmarking RSLs of £77.79

How satisfied are ACHA tenants?

The Scottish Housing Regulator collects information on how satisfied tenants are with the services they receive from their landlord. Generally this shows ACHA tenants to have higher levels of satisfaction than the Scottish average as can be seen from the information set out below:

- 90% of ACHA tenants feel that the rent they pay represents good value for money compared to the Scottish average of 82%.
- 90% of ACHA tenants said they were satisfied with the overall service provided which is in line with the Scottish average of 90%.
- 97% of ACHA tenants said they were satisfied with the repairs service compared to the Scottish average of 91%.
- 88% of tenants said they were satisfied with the management of the neighbourhood they live in compared to the Scottish average of 87%.
- 94% of new ACHA tenants told us that they were satisfied with the standard of their home when moving in compared to the Scottish average of 90%.
- 79% of existing ACHA tenants told us that they were satisfied with the quality of their home compared to the Scottish average of 87%.

How affordable are ACHA rents?

Weekly earnings in Argyll and Bute at £394.80 are lower than the Scottish Average of £441.50. Gross household income per person is £17,745 in Argyll and Bute compared to the Scottish average of £18,315.

Around 60% of ACHA tenants receive some help towards their rent through universal credit/housing benefit. You may be entitled to some help with your rent payments. If you are unsure if you qualify for Housing Benefit or indeed any other Benefit please contact our Welfare Rights Team at your local ACHA office or on 0800 026 2755. You will receive a free confidential Benefits check and assistance with completing any forms.

Many of you are now financially better off thanks to the assistance of the Welfare Rights Team. During 2016/17 we helped tenants gain £2.6m in unclaimed benefits – money which you were entitled to but just didn't know how to access.

Value For Money

ACHA is committed to ensuring value for money for our tenants. We aim to deliver this by providing quality housing and services for a fair and affordable rent. As you can see compared to the Scottish average a greater proportion of ACHA tenants are generally satisfied with the services they receive and feel the rent they pay is good value. ACHA rents are low in comparison to the Scottish average for RSLs.

ACHA spends less than the Scottish average on management costs and repairs and maintenance:

- In 2016/17 ACHA spent £898 per property on repairs and maintenance compared to the Scottish average of £1,052 for 2015/16.
- In 2015/16 ACHA spent £1,114 per property on management costs compared to the Scottish average of £1,160.

Our longer term budget strategy and business planning seeks to manage our financial resources effectively. Our approach to people and performance management and information technology aims to continuously improve service delivery and efficiency.

What Could We Do Better?

Looking at the quality of our housing stock and its maintenance the following matters are relevant in terms of scope to improve:

- 80% of ACHA homes met the SHQS compared to the Scottish average of 94%.
- 91% of ACHA homes met the original SHQS for energy efficiency compared to the Scottish average of 97% but we aim to meet this as soon as possible. In addition to the SHQS there is a new target called the EESSH which must

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be met by 2020 and at the end of March 2017 we achieved this target in 80% of our properties.

- ACHA completed 87% of reactive repairs right first time in 2016-17 compared to the Scottish average of 92%.
- ACHA kept 91% of repair appointments in 2016-17 compared to the Scottish average of 96%.

Rent Increase Proposal

Whilst our rents are lower than average RSL rents we recognise that income and earnings are lower in Argyll & Bute. Historically the rent increase has been based on increasing rents by the December RPI plus 1%. Further to the annual uplift the final year of rent restructuring is estimated to add around 1.3% on to average rents.

The level of rents needs to take account of the ongoing requirement to invest in our houses to meet SHQS and EEESH standards, and reactive and planned maintenance as set out in the business plan, to ensure the housing stock meets your expectations as tenants.

The ACHA business plan assumes an increase of 4.2% for 2018/19. The September RPI is 3.9% which if the same in December and with a plus 1% would result in a 4.9% increase.

Taking account of all of the above, the proposal is to increase rents by 4.2% for 2018/19. This is less than the current RPI+1% and reflects the expenditure requirement set out in the business plan. On average this works out at 50p per day.

	1 Bed £	2 Bed £	3 Bed £	4 Bed £	5 Bed £	Ave £
Weekly Rent 17/18	72.17	80.23	89.21	96.96	106.25	80.65
Rent Restructuring Incr	1.43	0.68	1.26	1.61	4.51	1.05
Rent Before Annual Incr	73.60	80.91	90.47	98.57	110.26	81.70
Rent with 4.2 % Increase	76.69	84.31	94.27	102.71	114.89	85.13
Annual Inflationary Incr	3.09	3.40	3.80	4.14	4.63	3.43

A higher level of increase (eg 3.9% + 1% = 4.9%) would provide additional money to invest in the properties you live in as tenants, but would increase your rents by more.

A lower level of increase would mean rents do not go up by as much but would mean improvements in the quality of the housing stock would be delayed and the quality of the repairs and maintenance service reduced and we think you value these as tenants.

Feedback

Please do help us by completing and returning the attached survey.

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RENT CONSULTATION RESPONSE 2018/19

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:

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Question 1 - Did you understand the different sections of the rent consultation leaflet?	Please circle your response	
Why is a rent increase proposed?	Yes	No
How Did We Spend Your Money in 2016-17?	Yes	No
ACHAs Business Plan	Yes	No
How do ACHA rents compare to others?	Yes	No
How satisfied are ACHA tenants?	Yes	No
How affordable are ACHA rents?	Yes	No
Value For Money	Yes	No
What Could We Do Better?	Yes	No
Rent Increase Proposal	Yes	No
Please add any comments to say how you think we could make these sections of the rent consultation easier to understand:		

Question 2 - Did you find the different sections of the rent consultation leaflet helpful?	Please circle your response	
Why is a rent increase proposed?	Yes	No
How Did We Spend Your Money in 2016-17?	Yes	No
ACHAs Business Plan	Yes	No
How do ACHA rents compare to others?	Yes	No
How satisfied are ACHA tenants?	Yes	No
How affordable are ACHA rents?	Yes	No
Value For Money	Yes	No
What Could We Do Better?	Yes	No
Rent Increase Proposal	Yes	No
Please add any comments to say how you think we could make these sections of the rent consultation could be more helpful:		

	Please circle your response	
Question 3 - In overall terms did you understand the contents of the rent consultation leaflet? If no please add a comment below	Yes	No
Question 4 - In overall terms did you find the contents of the rent consultation leaflet helpful? If no please add a comment below	Yes	No
Question 5 - Did the rent consultation set out the reasons for the proposed rent increase? If no please add a comment below	Yes	No
Question 6 - Do you have any comments you would like to make regarding the level of the proposed rent increase? If yes please add a comment below	Yes	No
Question 7 - Is there any further information that you would like to receive from ACHA with regard to the proposed rent increase? If yes please add a comment below	Yes	No
Question 8 - Would you be prepared to pay more for your rent in order to receive additional services for example, more spent on estate management, increased investment in existing houses or additional housing management services for you as tenants? If yes please indicate below what additional/enhanced services would you want ACHA to provide	Yes	No

Now please hand in the completed form at one of our offices, or send it directly to: Director of Finance and IT, Argyll Community Housing Association, Dalriada House, Lochgilphead. PA31 8JL

Alternatively, email it to us at rentconsultation@acha.co.uk or go to our website and submit your comments via our online survey at www.acha.co.uk