

Introduction

Argyll Community Housing Association (ACHA) is currently considering the rental charges for 2019/20 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, 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. The consultation will close on Friday 21st December 2018.

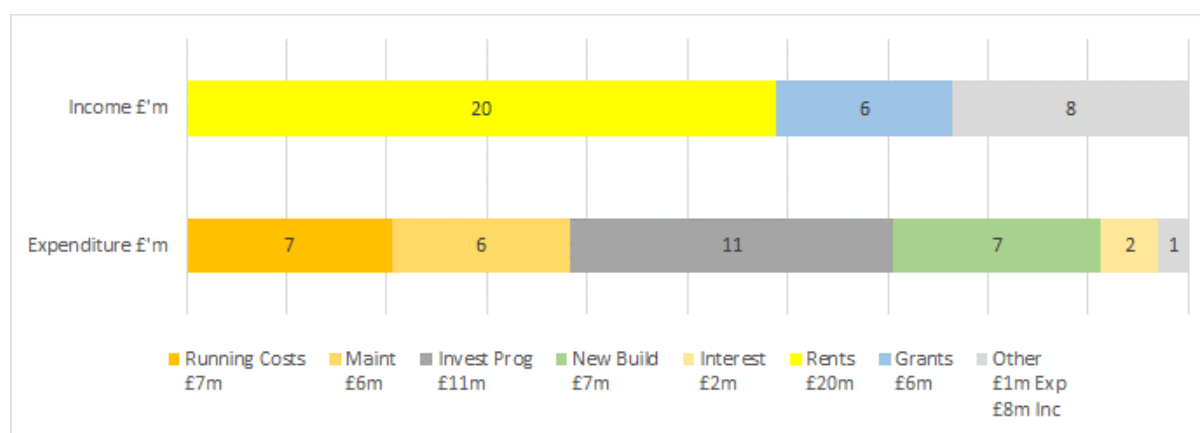
Who decides and when will ACHA agree the annual rent for 2019/20?

ACHA’s Board of Management will consider all view and comments we receive together with the financial implications at its meeting on 7th February 2019. You will be advised of any changes to your rent by the end of February 2019. Any change to your rent will be applied with effect from Monday 1st April 2019.

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 2017/18?



In 2017/18 ACHA spent around £34m. The biggest proportion of this was invested in the housing stock. Around £17m was invested in existing houses through the

investment programme and maintenance and £7m was spent on building new houses. Management or running costs were around £7m with interest counting for £2m leaving £1m of other costs. Rents were the biggest source of income at £20m with grants for new build of £6m and other income of £8m (including £7m of loan funding drawn down in late 16/17 for use as working capital in 17/18).

ACHAs Business Plan

ACHA has already spent £136m on major repairs and investment in properties to meet the Scottish Housing Quality Standard (SHQS) and towards meeting the Energy Efficiency Standard for Social Housing (EESH). We also plan to spend around £5.5m per annum on reactive repairs and planned maintenance.

So far we have borrowed £45m and expect to borrow a further £18m over the next 4 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 £2m to £3.5m as we borrow more money.

We spend around £7m per annum on management costs. This pays for the cost of staff delivering services, office and utilities, professional services (legal advice and fees), insurance for ACHA housing stock and a range of other day to day running costs. Our management costs per house are less than our benchmarking peers.

How do ACHA rents compare to others?

Compared to other Registered Social Landlords (RSLs) our rents remain low. Our average weekly rent for 2017/18 was £79.13 in comparison to:

- the average for all RSLs of £84.39
- the average for RSLs with more than 2,500 houses of £85.98
- the average for the 6 council housing stock transfers of £77.67
- the average for our 12 benchmarking RSLs of £79.45

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 83%.
- 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 92%.
- 88% of tenants said they were satisfied with the management of the neighbourhood they live in compared to the Scottish average of 88%.

- 93% 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 88%.

Help with your rent payments

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. In 2017/18 the team brought in client gain to tenants (that is payments previously unclaimed) of £1.6 million. Within that there was significant benefit to ACHA, with £312k of Housing Benefit, £27k of Discretionary Housing Payments and £43k of Universal Credit Housing Cost Element successfully claimed for tenants to pay ACHA rent.

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's management cost per unit was £898 per property (2016/17) compared to £935 per unit for our 12 benchmarking RSLs. In terms of our cost per unit on planned and reactive maintenance ACHA spent on average £356 per unit on planned maintenance and £543 per unit on reactive maintenance (compared to £390 and £545 per unit for our 12 benchmarking RSLs respectively).

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:

- 83% of ACHA homes met the SHQS compared to the Scottish average of 94%.
- ACHA completed 84% of reactive repairs right first time in 2017/18 compared to the Scottish average of 92%

- ACHA kept 87% of repair appointments in 2017/18 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%.

The level of rents needs to take account of the ongoing requirement to invest in our houses to meet and maintain 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 3.25% for 2019/20. The September 2018 RPI is 3.3% which if the same in December would mean a 4.3% rent increase (based on RPI+1%).

Taking account of all of the above, the proposal is to increase rents by up to a maximum of 4.3% for 2019/20 (based on September RPI). On average this works out at 48p per day.

	1 Bed £	2 Bed £	3 Bed £	4 Bed £	5+ Bed £	Ave £
Average Weekly Rent 18/19	68.40	76.78	81.02	89.67	97.81	82.45
Rent with 4.3% Increase	71.34	80.08	84.42	93.52	102.01	85.99
Annual Inflationary Incr	2.94	3.30	3.40	3.85	4.20	3.54

A higher level of increase 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.

Feedback

Please do help us by completing and returning the attached survey. The consultation closes on Friday 21st December 2018.

ACHA - Putting Our Tenants and Our Communities First

RENT CONSULTATION RESPONSE 2019/20

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 2017/18?	Yes	No
ACHAs Business Plan	Yes	No
How do ACHA rents compare to others?	Yes	No
How satisfied are ACHA tenants?	Yes	No
Help with your rent payments	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 - In overall terms did you find the contents of the rent consultation leaflet helpful? If no please add a comment below	Yes	No

Question 3 - Did the rent consultation set out the reasons for the proposed rent increase? If no please add a comment below	Yes	No

Question 4 - 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

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Question 5 - 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 6 - 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
Question 7 - 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)	Please circle your response	
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 member of a local Registered Tenant Organisation- ACHA currently supports two such groups, one in Cardross and the other in Campbeltown	Yes	No
Joining the Argyll Tenants Panel	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

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