

Putting Tenants First

Autumn 2010 Special Issue

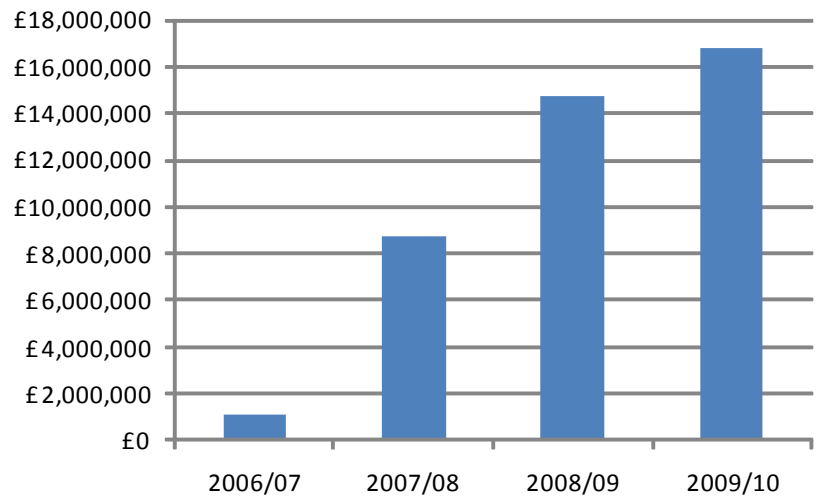
Information and Rent Consultation

Argyll Community Housing Association is interested in your views. In a recent survey conducted by us approximately 60% of tenants indicated that they considered the rent ACHA charges as value for money with 16% being unsure 14% who do not consider it good value for money and the remaining 10% who don't know. We are now starting to consider what rent increase to apply for the next year but with that in mind we wanted to do two things; **inform and consult** with you. In terms of informing you we wanted to give you information so you can inform yourselves as to whether ACHA's rent represents value for money.

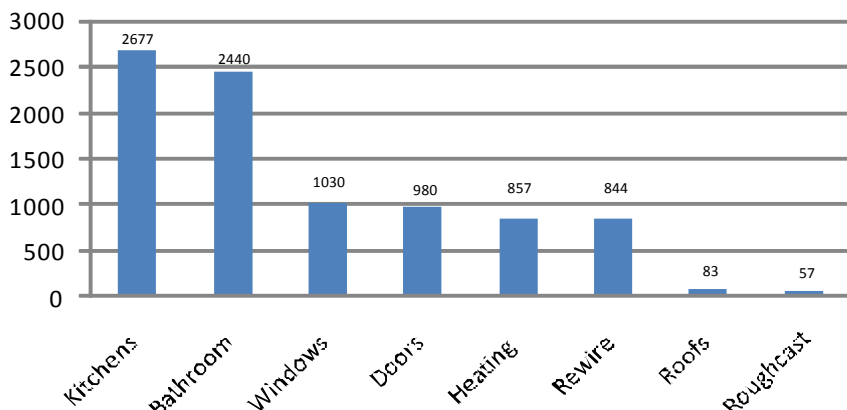
What we have spent to date on the Scottish Housing Quality Standard (SHQS) Improvements?

The Association has spent almost £41.3 million so far in putting new kitchens, windows, doors, bathrooms and heating systems in your homes. Within these figures we spend on average £1.5 million each year on what is called cyclical maintenance as we must check and service gas boilers for your safety, check chimneys and clean them, clean gutters and paint stair wells etc.

SHQS Repairs Spend



SHQS Elements Installed



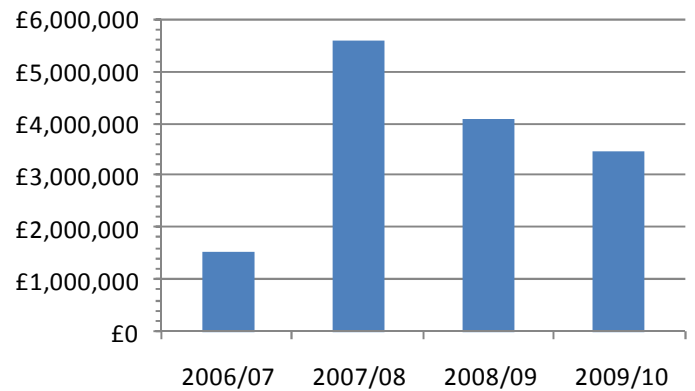
What have we spent that money on?

The Association has delivered 8,968 individual elements of work to meet the SHQS in your homes. These include 2,677 kitchens and 2,440 bathrooms and more than 2,000 homes with new windows and doors.

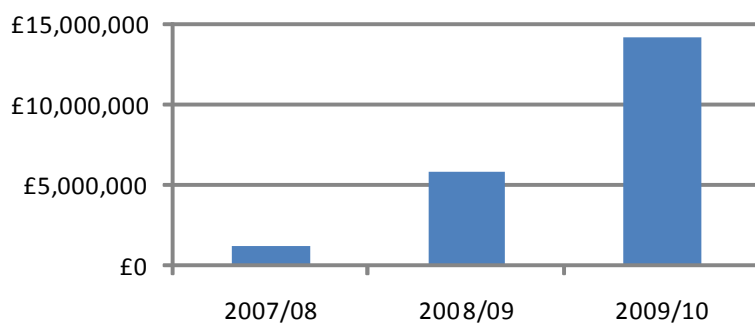
What we spend on general repairs?

The Association has spent more than £14.6 million since transfer on general repairs to your homes that you have reported to us, such as un-blocking sinks, windows, taps etc. Our budget for these type of repairs is approximately £3.1 million each year. Each year you report to us more than 25,000 repairs which need to be carried out. We are spending for each house on average £675 each year on these types of repairs.

General Repair Costs



Housing Assets



What we spend on building new houses?

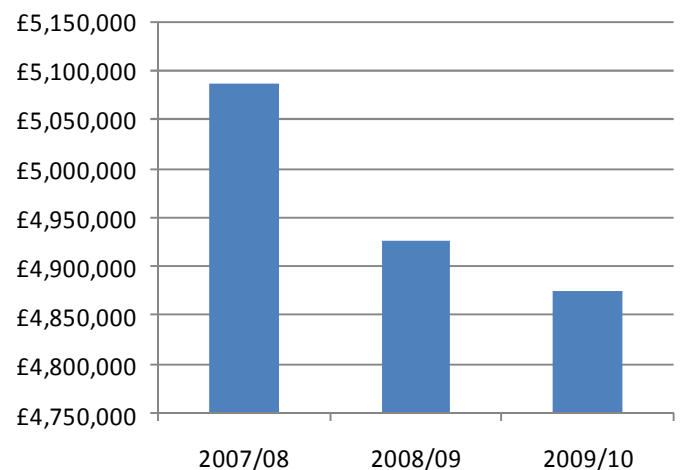
The Association has spent more than £14.1 million in developing new houses for our tenants in Argyll and Bute, particularly, Campbeltown, Inveraray, Garelochhead, Oban and Ardrishaig. Grant has been received of £9.8 million but the remainder is financed by loans.

What we spend on our staff and overheads

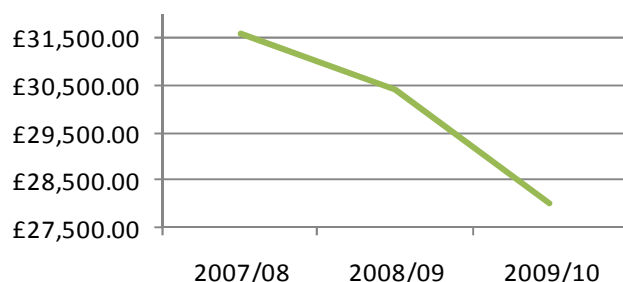
We currently employ almost 175 full time equivalent staff to deliver these services for you. Taking account of the salaries, pension costs and other overheads such as premises, IT, equipment, stationery etc, it costs on average £4.9 million each year to deliver these services. Our management costs per home are coming down year on year and our average management cost per staff member is also coming down year on year.

(NB. this is not the average pay for staff as it includes all overheads as well as pay)

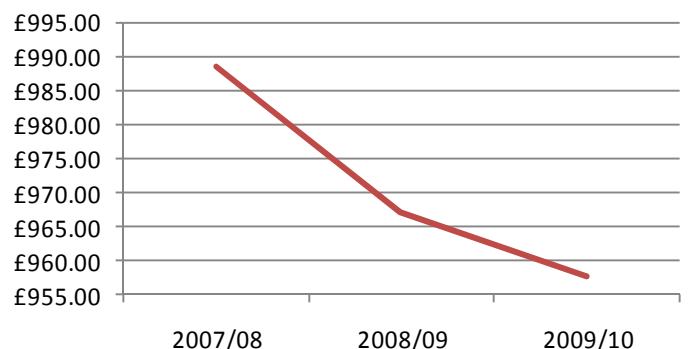
Management Costs



Management Cost Per Staff Member



Management Cost Per Home



Projected stock and SHQS Compliance levels



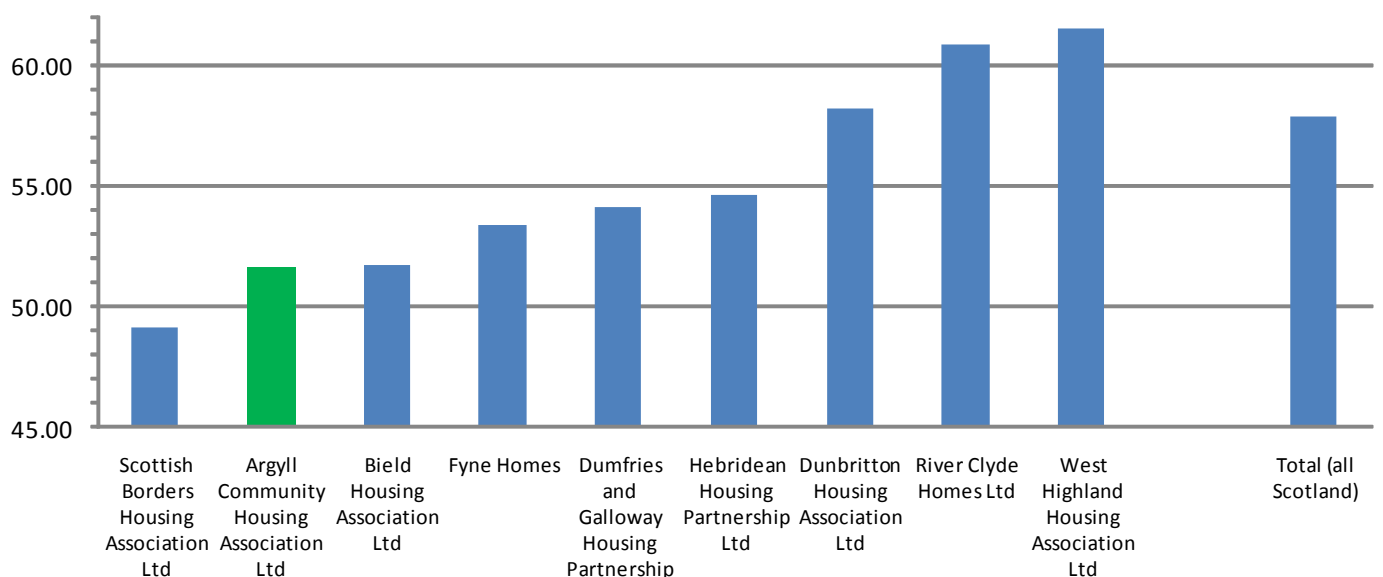
What is the SHQS task ahead of us?

The Association started from a very low base of SHQS compliance in comparison with other local housing associations. The Association is behind other stock transfers such as Scottish Borders Housing Association and Dumfries and Galloway Housing Partnership as they have had 3 or 4 years more than us to deliver the transfer improvements. We have a long way to go to meet compliance as we have guaranteed.

Rent Comparability

ACHA's rent compares favourably against other stock transfer Associations and local competitor housing Association rents. The table below illustrates this as at 2008/09.

Rent Comparability 2008/09



Your Rent Guarantee

The five year rent guarantee given by ACHA to all its tenants, existing or new since transfer, is that rents would not rise by more than the Retail Prices Index (RPI) plus 1%. This is set out in the transfer agreement and in all tenancy agreements. In each year we have kept that promise until 2012, in 2009/10 we increased rents by RPI only reflecting on the difficult economic circumstances at that time.

Rent increase process

The rent increase that is applied by ACHA is based on the RPI as at December each year. This only becomes known in mid January of the following year and we must inform you of the planned rise by the end of February in that year. This leaves little or no time to consult with you on the rent levels and for your Board to approve the increase formally which is why we are consulting with you now on the principles.

Your 2010/11 rent increase

At this time the Association plans to increase its rents by the rent guarantee at RPI+1%. Using current RPI levels as a guideline only it may mean an increase of around 5.7% (RPI 4.7% plus 1% where RPI is August 2010). This equates to approximately £3.32 a week extra on the average rent of £58.25 for 2009/10, taking the average rent for 2010/11 to £61.57 per week.

In terms of consulting with you we want to take account of your comments, and are asking you to indicate to us your views on the questions below.

You may do this by completing the tear off slip attached below and handing it in to our offices or our staff, or e-mail your views to, rentincrease@acha.co.uk or complete our online survey at www.acha.co.uk

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Please tick the box you agree with most for each question

	Agree	Not sure	Disagree
I would be willing to pay a higher rent in exchange for protecting services.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I would accept that the Association may stop providing some services if my rent does not increase at RPI+1%.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I would be willing to pay new service charges for some services not currently provided.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Was this consultation informative or helpful?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Other Comments