

Proposed Rent Increase Consultation 2019/20

Provanhall
Housing Association

This leaflet tells you about your rent, what your rent pays for and the proposed rent increase options for 2019/20.

Proposed Rent Increase Options from 28th March 2019

Just like working out and setting your own personal or family budget based on your income and outgoings, each year the Management Committee do the same for our Annual Budget. Rent is the Association's main source of income. We need rent to pay for the services you receive and to maintain your homes.

Average RPI in 2018 was 3.3%. RPI in December 2018 was the lowest RPI in the whole of 2018 at 2.7%. Our Rent Policy allows for a rent increase based on December RPI plus 1%. This would allow a rent increase of 3.7%. However we are very aware of the financial pressure many of you continue to face. So the Management Committee want to: keep your rents affordable; continue to provide high quality services; have enough money for planned projects; put money aside to allow us to maintain and upgrade your homes as planned now and in future.

Based on the Association's finances and plans for future years, a Draft Annual Budget with the following proposed rent increase options was considered:

Rent Increase	3.5%	3.7%
Impact	Core services protected. No delay to planned projects. No delay to improvement works to upgrade homes. No withdrawal of any wider role services to help and support local people.	Core services protected. No delay to planned projects. No delay to improvement works to upgrade homes. Potential for additional wider role services to help and support local people.
Average Weekly Increase	£2.42	£2.56
Average Monthly Increase	£10.47	£11.07

Scottish Social Housing Charter

The Scottish Social Housing Charter requires that Provanhall HA, as your landlord, set rents in consultation with our tenants so that:

- tenants receive services that provide continually improving value for the rent and other charges they pay
- a balance is struck between the level of services provided, the cost of the services, and how far current and prospective tenants can afford them
- tenants get clear information on how rent and other money is spent



What do you think?

A final decision on the budget will only be made by the Management Committee after consulting with you and all other tenants. So your view and what you think about the proposed rent increase options are important. Please see the back page for details.

**Please respond
by Friday 15th
February 2019**

Rent comparison

The Scottish Housing Regulator in our Landlord Report 2017/18 provides a breakdown of our rents in comparison with the Scottish average. We have also included for comparison the rents of other local Easterhouse Housing Associations. This shows once again majority of our rents are below the Scottish average and the average for local landlords.

Average weekly rents					
House Size	Provanhall HA	Easterhouse HA's	Easterhouse HA's Difference	Scottish Average	Scottish Average Difference
1 bedroom	£58.55	£62.66	-6.6%	£73.33	-20.2%
2 bedroom	£64.33	£68.03	-5.4%	£74.94	-14.2%
3 bedroom	£77.62	£76.80	+1.1%	£81.37	-4.6%
4 bedroom	£87.11	£88.12	-1.2%	£90.39	-3.6%



Rent increases

The Scottish Housing Regulator publishes rent increase information each year. The table below shows that in 4 of the last 6 years, all our rent increases have been below the Scottish average.

Average Rent Increase	18/19	17/18	16/17	15/16	14/15	13/14
Provanhall HA	3.5%	3.5%	1.2%	1.6%	2.7%	2.5%
Easterhouse HAs Average	3.1%	2.15%	1.36%	1.91%	3.0%	3.2%
Scottish Average	3.21%	2.29%	1.88%	2.7%	3.6%	3.7%

Is my rent affordable?

We use the Scottish Federation of Housing Associations 'Affordability Tool'. This measures both income and rent levels for every local authority in Scotland. Rents are affordable when people spend less of their income on rent. The more income that people spend on rent, the less affordable their rent:

- green** (less than 25% of income is spent on rent)
- amber** (between 25% and 30% of income is spent on rent)
- red** (more than 30% of income is spent on rent)

Based on the moderate income of different household types, the tool assesses the % of income these households spend on rents in each area. **Based on Glasgow City measures, we are pleased to report 100% of our rents for all different household types and house sizes are assessed as:**

- green** (less than 25% of income is spent on rent)

Our individual assessments are even more affordable; the % of income different households spend on our rents range from just 10.5% to a maximum of 20.9%.

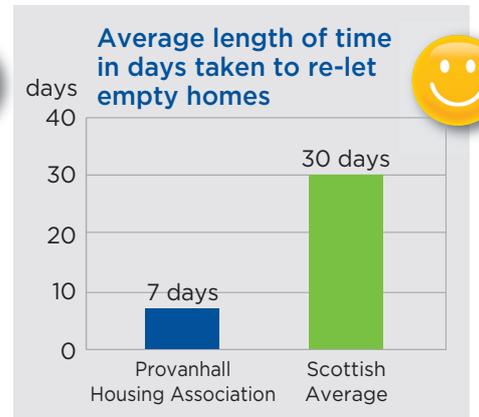
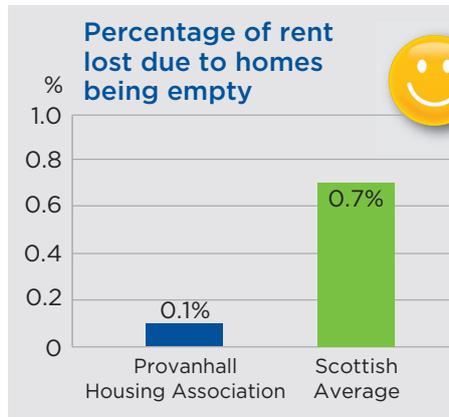


Your rent – is it value for money?

We do all we can to maintain and improve the services we provide to you. It is important we achieve good value for money in all that we do, especially when costs are rising. The Scottish Housing Regulator also believes it is important that tenants get 'good value for money from rents'.

Some results from our Scottish Housing Regulator Landlord Report 2017/18, sent to all tenants in 2018, and our most recent Tenants Satisfaction Survey, are included below. We hope these show that you do get value for money for the rent you pay.

During 2017/18, **97%** of existing tenants the Association surveyed were 'very or fairly satisfied' that the rent for their property represented good value for money when taking into account their accommodation and the services we as a landlord provide.



96% of residents satisfied with our overall service, compared to:



90% Scottish average

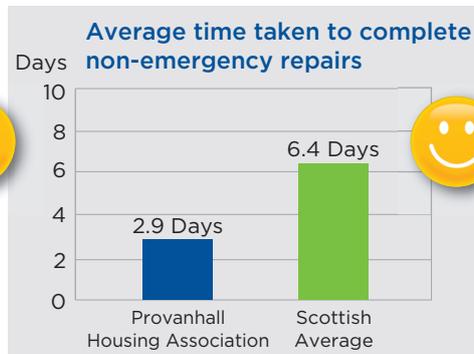
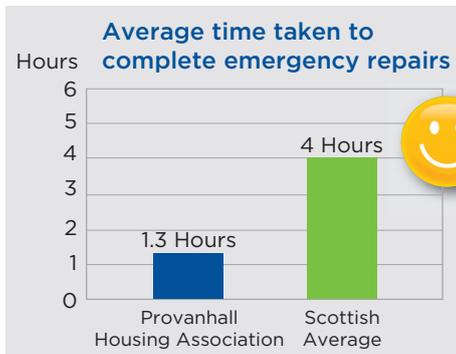


97% of residents think their rent is good value for money, compared to:



83% Scottish average

Quality and maintenance of homes



99.5% of reactive repairs completed right first time, compared to:



92.2% Scottish average

95.24% Reported repairs in past 12 months, very or fairly satisfied with repairs service, compared to:

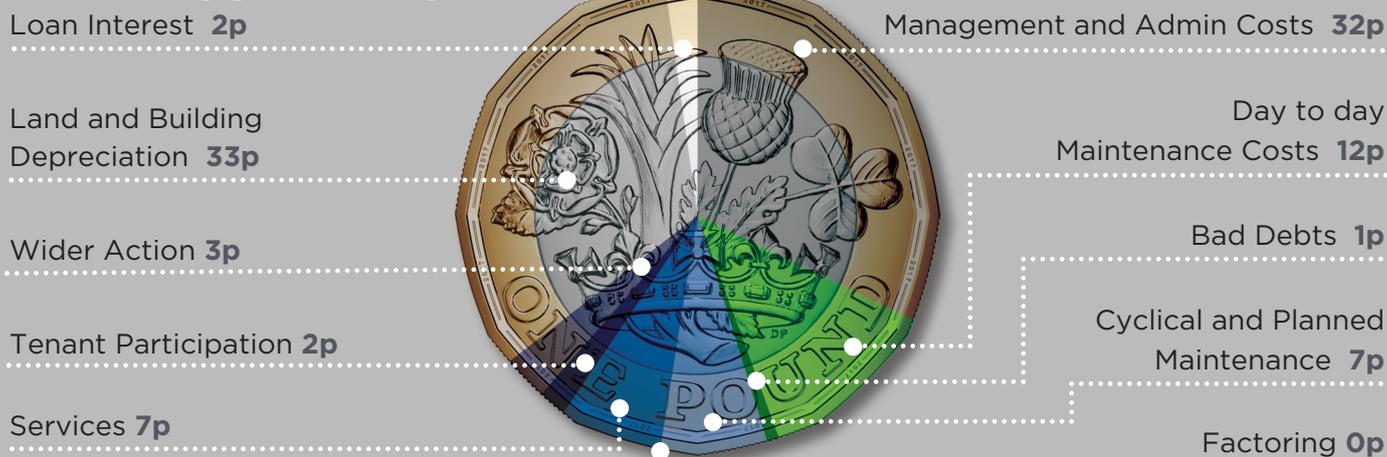


92.1% Scottish average



What does my rent pay for?

How every pound is spent...



Rent Cost	£1	Information
Land & Building Depreciation	33p	A charge in the accounts to recognise the annual reduction in value of our land and properties.
Management & Administration	32p	Office and staff costs. In addition to their own day to day duties, staff work closely with many other statutory and voluntary agencies. This ensures we do all we can to improve all the services residents receive plus help to improve the overall wellbeing of tenants and residents. Day to day staff costs include organising the repairs and cyclical and planned maintenance service. Costs also cover the range of housing management services that help and support tenants deal with: rent arrears; antisocial behaviour; disabled adaptations; allocating empty homes; inspecting all properties and common areas; closely monitoring the work of contractors and other agencies who provide services in the area; maintaining the Housing List by assessing and processing applications; helping and supporting applicants who want to move into the area or tenants who wish to move home.
Day to Day Maintenance	12p	Repairs to your home, close & common areas. Reported by tenants or staff following regular inspections. Includes repairs to empty homes before being re-let to a new tenant.
Cyclical & Planned Maintenance	7p	Major improvement works inside your home and close such as: new kitchens and bathrooms; new boilers; new front doors; new security close doors; external repainting; yearly gutter cleaning. Also includes environmental projects.
Estate Services	7p	Providing a range of estate services to make sure Provanhall looks as good as possible: grass and hedge cutting of gardens and common areas; de-littering; close cleaning; bulk uplift.
Wider Action	3p	Providing, or helping and supporting other organisations to provide, facilities and services in the area to improve the wellbeing of all tenants and residents e.g. Money Advice Service, Jobs Club, Youth clubs etc.
Loan Interest	2p	Costs of borrowing to fund the development of properties.
Tenant Participation	2p	Costs of ensuring tenants are involved in important decisions and receiving information such as newsletters, annual report and other flyers etc.
Bad Debts, Factoring and Other Costs	1p	Income lost from non-payment of rent, repair recharges or factoring charges, costs of providing factoring services plus total of other various costs.

Please complete either our online survey <https://www.surveymonkey.co.uk/r/3QMXM66> or fill out the enclosed questionnaire and return in the pre-paid envelope. If you prefer you can simply tell us your views by: coming into the office; telephone; text; email or via our website. Please ask for Sean Douglas. Sean is also happy to visit you at home if you prefer.

Please respond by Friday 15th February 2019



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The Association is registered with the FSA 2401 RS and The Scottish Housing Regulator HHC242. Charity Number: SC037762. Property Factor Registration Number: PF000389

www.provanhallha.org.uk



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