

RENT CONSULTATION NEWSLETTER November 2018

**Have
Your Say**

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HAPPY TO TRANSLATE

Have your say- Your Consultation Pack

We want to hear your views on our proposals for next year's rent and service charges. We aim to keep these costs affordable for you while still delivering excellent services and improvements to your homes and neighbourhoods.

Over the past year we have continued to invest in homes and services. This newsletter gives you an update on what we have achieved and what we plan to do in the next financial year 2019-20.

Please take the time to read this information and make sure you have your say on the levels of rent and common maintenance charges we set.

The closing date for this consultation is

Friday 25th January 2019.

What's inside your Newsletter

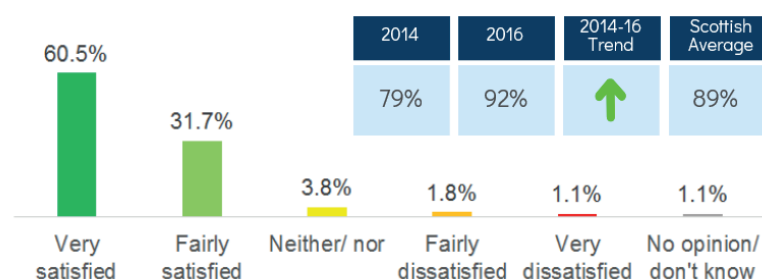
1. Tenant satisfaction results
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8. Affordability (Survey form to be returned)
9. What happens next?

Included is a letter that tells you how much your rent would increase by if we applied a 3.3% increase.






1. Tenant Satisfaction Results

In 2016 Clydesdale Housing Association (CHA) asked Research Resource to carry out a big satisfaction survey with as many of our tenants as they could. They managed to speak to 448 of our tenants. The graphs below show you how much we have improved since the last big survey in 2014.

Satisfaction with the overall service provided by your landlord



Scottish Housing Regulator Indicators

Indicator	2014	2016	2014-16 Trend	Scottish Average
 Being kept informed about services and decisions	84%	97%	↑	91%
 Opportunities to participate in the Association's decision making processes	72%	91%	↑	81%
 Quality of the home	77%	84%	↑	86%
 Value for money of rent charge	63%	83%	↑	79%
 Management of the neighbourhood	81%	93%	↑	86%

Areas of high performance

Satisfaction with the repairs service



Our ongoing tenants survey shows that 95% of our tenants said they were satisfied with our repairs and maintenance service.

Statements about the Association



Tenants had a high opinion of the Association:
97% agreed the Association has friendly and approachable staff.
97% agreed they provide an effective and efficient service.
94% agreed they are treated fairly.

Grounds maintenance



We asked you how satisfied you were with the grounds maintenance to common areas within your development, such as grass cutting, pruning and weeding.
Just under 9 in 10 tenants (89%) were very or fairly satisfied in this respect.

Affordability of rent



The majority of you (who pay your rent) said you have never experienced any difficulty in affording the payments (93%).
This is more than was reported in 2014 where 62% said they had never had a problem affording their rent payments.

2. How we compare to other Landlords

There are particular challenges we face delivering our services across such a wide range of towns and villages. This has cost implications for us, particularly in relation to delivering our repairs service.

Even with these challenges we face, you can see from the table below that our rents compare favourably with all the Scottish Registered Social Landlords (excluding Local Authorities).

Size of home	Number of CHA Properties	Average CHA weekly rent	Average Scottish weekly rent	Difference
2 apartment	203	£71.50	£73.96	-£2.46
3 apartment	372	£76.43	£80.41	-£3.98
4 apartment	154	£83.81	£88.13	-£4.32
5 apartment	9	£99.16	£98.57	+£0.59
All apartments	738	£76.89	£81.33	- £4.44

How well are we performing?

Scottish Housing Charter Indicator	CHA 17/18	Scottish Average 17/18	Difference
Rent Collected as % of total rent due in the year	104%	100%	+4%
Gross rent arrears as % of total rent due in the year	2.21%	3.91%	-1.7%
Lost rent through empty properties as % of total rent due in the year	0.49%	0.73%	-0.24
How quickly we re-let our empty properties?	12 days	23 days	-11 days
How quickly did we complete medical adaptations?	45 days	64 days	-19 days
How many hours did it take to carry out an emergency repair?	2.52 hours	2.48 hours	+ 4 minutes
How quickly did we carry out routine repairs?	4.4 days	4.6 days	-0.2 days

3. What we will deliver in 2018-19

The work we do is carried out by a number of departments. Corporate Services, Finance, Housing Management and Technical Services. The biggest costs we have are repairs and maintenance, staff and overhead costs. The information below shows you what we expect to spend by 31st March 2019.

What we plan to deliver in 2018/19:

Planned Projects	
Roofs, rainwater goods, fascia's, render, chimneys	£ 747,159.36
Structural rebuild	£ 800,000.00
Kitchens	£ 383,308.90
Smoke Alarms	£ 30,438.00
Lighting	£ 13,514.00
Secure door entry system & doors	£ 8,184.00
Carbon Monoxide Detectors	£ 14,170.00
Common Close upgrade	£ 16,000.00
Windows & external door replacement	£ 137,677.50
Bathrooms	£ 30,312.00
Total Planned	£2,180,763.76
Cyclical Projects	
Gas Safety Inspections	£ 39,102.48
Electrical Safety Checks	£ 4,600.00
Gutter Cleaning	£ 29,000.00
Cylinder Services	£ 9,557.12
Total Cyclical	£ 82,259.60
Total Planned & Cyclical	£2,263,023.36

3. What we will deliver in 2018-19

We plan to spend the following in 2018 2019.

- Housing Management (Rented properties) = £552,728. These are the costs associated with all aspects of Housing Management – collecting rent, allocating properties, dealing with neighbour disputes, managing your estates and insuring your properties. It also includes staff and overhead costs.
- Housing Management (Shared Ownership) = £25,201. These are the costs associated with the management of shared ownership properties including staff costs.
- Current Maintenance (Rented Properties) = £584,754. These are the costs associated with providing a day to day repairs service including Contractor, staff and overhead costs.
- Cyclical Maintenance (Rented Properties) = £203,184. These are costs associated with carrying out work over a time period (1 year or longer) and includes painting, gutter cleaning and gas safety checks. It also includes staff and overhead costs.
- Major repairs (Rented Properties) = £1,953,629. These are the costs for carrying out major repairs to your properties such as replacing kitchens and bathrooms , including the management of these projects.
- Service Costs (Rented Properties) = £84,928. These are the costs for communal areas such as grounds maintenance and stair and street lighting.
- Mortgage Interest = £89,448. This is the interest we pay on various loans we have in place.



4. Our Plans for 2019-20

In the next 12 months we plan to analyse the results of our Infra-red heating pilot and hopefully this will result in the installation of 196 heating installations throughout our stock. These works will be spread over two financial years and we will prioritise replacements where they are needed the most.

Our major repair programme for 2019-2020 is as follows (please note this could change)

	Contract Costs
Heating replacements – 196 properties	£1,364,749
Windows – 44 properties	£193,376
Bathrooms – 27 properties (medical adaptations)	£111,132
Kitchens – 19 properties	£82,810
Doors – 54 properties	£38,401
Roofs – retentions from the current contract	£36,440
Fascias and soffits	£44,226
Paths and driveways	£35,910
Smoke alarms	£18,837
Secure door entry systems	£12,247
Binstores	£9,450
External lighting	£9,009
Contingencies	£38,300

These costs do not include staff costs or office overheads. It is the projected cost of the work only.

4. Our Plans for 2019-20

Clydesdale Community Hub, New Rented Flats & CHA Offices

Construction work started on the project in July 2018 and we anticipate completion in late summer 2019.

Clydesdale Community Hub – through the Hub we aim to support the work of local community groups and agencies through providing spaces to hire at affordable rates. The work of these groups will complement the work we do and have a focus on improving the wellbeing of our tenants.

Also the free customer computer hub, located in the reception area, will be a facility that service users and the community can use to access the internet, carry out online training, manage online benefit claims, etc. We might need to introduce a booking system to use these computers, but we'll see what demand is like before we do this.

We were awarded a £176,784 capital grant funding from LEADER towards the construction costs of the Hub. This has reduced the Association's cost of the Hub to £259,608. We are currently preparing another grant funding bid that will hopefully reduce the Association's financial contribution even further.

New Rented Flats - will provide the following 4 spacious, energy efficient flats in Lanark, which is a high demand area:

- 3 X 1 bedroom first floor flats.
- 2 X 2 bedroom first floor cottage flat.

With gas central heating, these flats are located in the heart of Lanark town centre – just a short walk away from the High Street.

We were awarded £360,000 capital grant funding from the Scottish Government towards the cost of building these flats. This leaves the Association with £190,110 to contribute which will be funded from our reserves.

CHA Offices - great care has been taken to make sure that this will be a place where service users and staff feel comfortable. The new office will provide a permanent home for the Association that can also cope with future growth. The new office will be fully accessible to people with disabilities and will have video conferencing facilities that will enable us and tenants to make full use of today's technology. Our designs have received positive feedback from the Clydesdale Tenants' & Residents' Group and from members of the Association who attended our Annual General Meetings in 2017 and 2018.

The cost of constructing the offices will be £764,287 – funded from the Association's reserves. The contractor and professional design team were all competitively procured using the Scottish Government's procurement regulations in order to achieve value for money.



5. Challenges



We have worked hard at making what we do efficient, so we can deliver great services and good value for money. But, like most social landlords, we face challenges such as rising inflation which is pushing up the cost of goods and services.

In particular the price of the materials we require to deliver our investment programme and reactive repairs service are affected by inflation.

EESHS

One of the main challenges facing the Association is The Energy Efficiency Standard for Social Housing (EESHS). The standard aims to improve the energy efficiency of social housing in Scotland. The Scottish Government brought EESHS into force in March 2014. The EESHS builds on the previous Scottish Housing Quality Standard which ran from 2004 to 2015. All social landlords will be expected to achieve the EESHS by December 2020.

The EESHS sets a single minimum energy efficiency rating for landlords to achieve that varies dependent upon the dwelling type and the fuel type used to heat it. It will mean that in the main no social property will be lower than a 'C' or 'D' energy efficiency rating, meaning that tenants should benefit from a warmer home, which could mean lower fuel consumption, lower energy bills and fewer tenants in fuel poverty.

For the Association, this means that we need to invest in our properties which are failing against the standard before the 2020 deadline.

The main issue that the Association faces is how to achieve the standard in our properties which have storage heating. These systems are expensive to run and do not offer controllability for the tenants.

The Association is currently undertaking a study in to the benefits of Infrared heating systems and Quantum heating systems, a more efficient storage heating system, with the intention of installing either or both of these systems before the EESHS 2020 deadline.

Once the Association has established what heating system is best, we will begin on an installation programme. However, we will be prioritising the replacements in line with the properties which are failing against EESHS the most. The areas which are likely to benefit from new heating systems in financial year 2019-20 are:

- Millburn Court, Symington
- Cordiner Court, Lesmahagow
- Lochanbank Drive, Kirkmuirhill
- Woolfords Row, Cobbinshaw
- Viewfield Road & Crosswood Terrace, Tarbrax
- Hunters Court, Abington

However, this has yet to be confirmed as it is subject to budget constraints.

6. Listening to you and what you have told us.

We talk to our tenants and listen to their views. We have listened carefully to your views on a number of issues including rent, policy changes, value for money and what you thought our priorities should be.

We have also:

- Carried out a tenant's satisfaction survey
- Hosted a number of tenant's scrutiny panel and Residents and Tenant's meetings
- Held a tenant's drop-in session to celebrate Scottish Housing Day
- Notified you on changes that affect your tenancy

We are currently carrying out a tenants' census so can get to know you better

Talking to you allows us to receive feedback from tenants of all ages and backgrounds across all our homes and communities.

In 2016 when we carried out the large satisfaction survey, you told us these were your top priorities.

Order of importance	Priority areas for tenants
1	Repairs and maintenance
2	The overall quality of your home
3	Keeping you informed about our services and decisions
4	The management of your neighbourhood
5	Grounds maintenance to common areas
6	Value for money for your rent (and service charges)

The results of the survey showed us that tenants' top two priorities were repairs and maintenance and the overall quality of their home. This drives the priorities that we seek to deliver and where we spend the income we receive from your rents.

7. Next Year's proposed rent increase

Taking all factors into account, and the cost of services and delivering what tenants have told us are their priorities, we are proposing increasing your rent from 1 April 2019 by 3.3%.

When we set rent levels we need to make sure that the Association's income keeps pace with the costs we have, like repairs and other overheads. To help us with this we use a measure of inflation that our suppliers use to keep track of prices. Up until last year we used the Retail Price Index (RPI) as our guide for inflation. Last year we listened to tenants and changed this to the Consumer Price Index (CPI) – this has traditionally shown inflation to be lower than RPI. Last year this resulted in the rent increase we were proposing to fall from 4.9% to 3.8% (i.e. 1.1% lower).

Unfortunately, many of our suppliers increase costs at a rate above inflation, so we need to reflect that in our rents in order to keep pace with costs. We will continue to use competition when we select suppliers in order to get the best value for tenants.

This means that for 2019/20, we are proposing a rent increase of 3.3%. This is based on CPI from September 2018 (2.3%), plus 1%.

Rent Increases and Future Costs

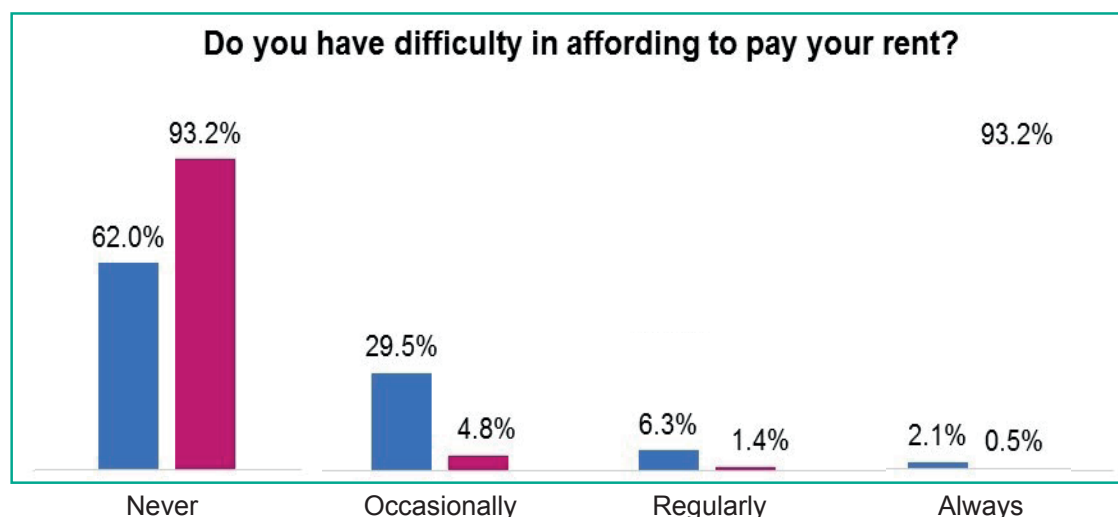
We have a financial plan which covers the next 30 years. This may seem like a lifetime away but to make sure we have enough money to pay for everything we need to pay for, in the long term it is essential we have this plan in place.

What we spend on maintaining your home, communal gardens, staff dealing with rent arrears and neighbour complaints are just some examples of where your rent money goes. In some years there will be lots of major repairs planned and other years less so. Our aim is to have a manageable rent increase every year and not large increases the years there are larger amounts of money due to be spent on property maintenance. Putting money aside for future repairs is sometimes known as a "sinking fund". This just means we are saving up to pay for what needs done over the next 30 years.

8. Affordability

The large satisfaction survey that was carried out in 2016 asked a question about affordability. The graph below shows the results. The figures in pink are the 2016 results.

Please note these figures exclude tenants on full housing benefit.



9. What happens next?

A summary of the feedback tenants' give us on the proposed rent increase will go to our Management Committee. They will look at the feedback as well as other factors and make a final decision on rent and common maintenance charges for 2019/20.

We will publish their decision and the results of the consultation on our website clydesdale-housing.org.uk, and in our March 2019 newsletter.

We will write to you in late February 2019 to let you know what your new rent and any common maintenance charges you pay for 2019/20 will be. Your new rent level will be due from 28th March 2019 onwards.

You can respond to the rent consultation by sending us the tear off slip at the bottom of the rent consultation letter. You can also contact us if you want to give your feedback in another format

If there is a particular way you would like us to contact you about the rent increase, or for any other matter, please let us know below. (Please use the Freepost envelope provided).

Name.....

Address.....

How I want you to contact me: (please tick)

☐

Letter

☐

E-mail

☐

Text

☐

Phone