

This is your opportunity to have
a say in how much rent you pay



Annual Rent Setting Consultation 2021-2022

Have your say – Your consultation pack.

We want to hear your views on our proposals for next year's rent and common maintenance charge. Our challenge is to deliver all the range of services you are entitled to while keeping the rents we charge affordable.

This newsletter will provide you with information to allow you to make an informed decision about the proposed rent options for 2021 - 2022. The closing date for this consultation is FRIDAY 29 JANUARY 2021.

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Challenges

Coronavirus has made 2020 the most challenging period in the Association's history. Following public health guidance has made our services more complex, and more costly, to deliver. Like many other service providers, the pandemic has required us to:

- monitor the latest Scottish Government guidance and take action to play our part in protecting public health and the wellbeing of service users and our team;
- suspend all services except emergency repairs in the initial lockdown phase (March to July) and then find ways to safely reinstate most of our services as lockdown restrictions started to ease (from July);
- review how we relet empty homes in order to continue to meet housing need and play our part in addressing homelessness, whilst protecting service user, staff and contractor safety;
- close our offices and the CHA Community Hub to the community until public health restrictions ease sufficiently;
- identify and manage the risks presented by the virus for tenants, staff and our contractors;
- check on the wellbeing of our most vulnerable tenants and find ways to support them through the crisis;
- rethink our plans for investment in tenants' homes due to the negative impact of the pandemic on contractors and their ability to source materials;
- intensify the work we do with tenants who face difficulties in meeting their rent payment responsibilities;
- invest more in technology and cyber security to enable us to follow Government guidance for staff to work from home;
- support our Management Committee throughout the pandemic to develop new ways to control and direct our activities and maintain good governance;
- reflect the more challenging economic situation in our financial plans to ensure we are able to deliver services and maintain tenants' homes in the short, medium and longer term;
- keep our regulators up to date with how the pandemic is affecting our activities and how we are managing this.

Energy Efficiency Standard for Social Housing (EESH)



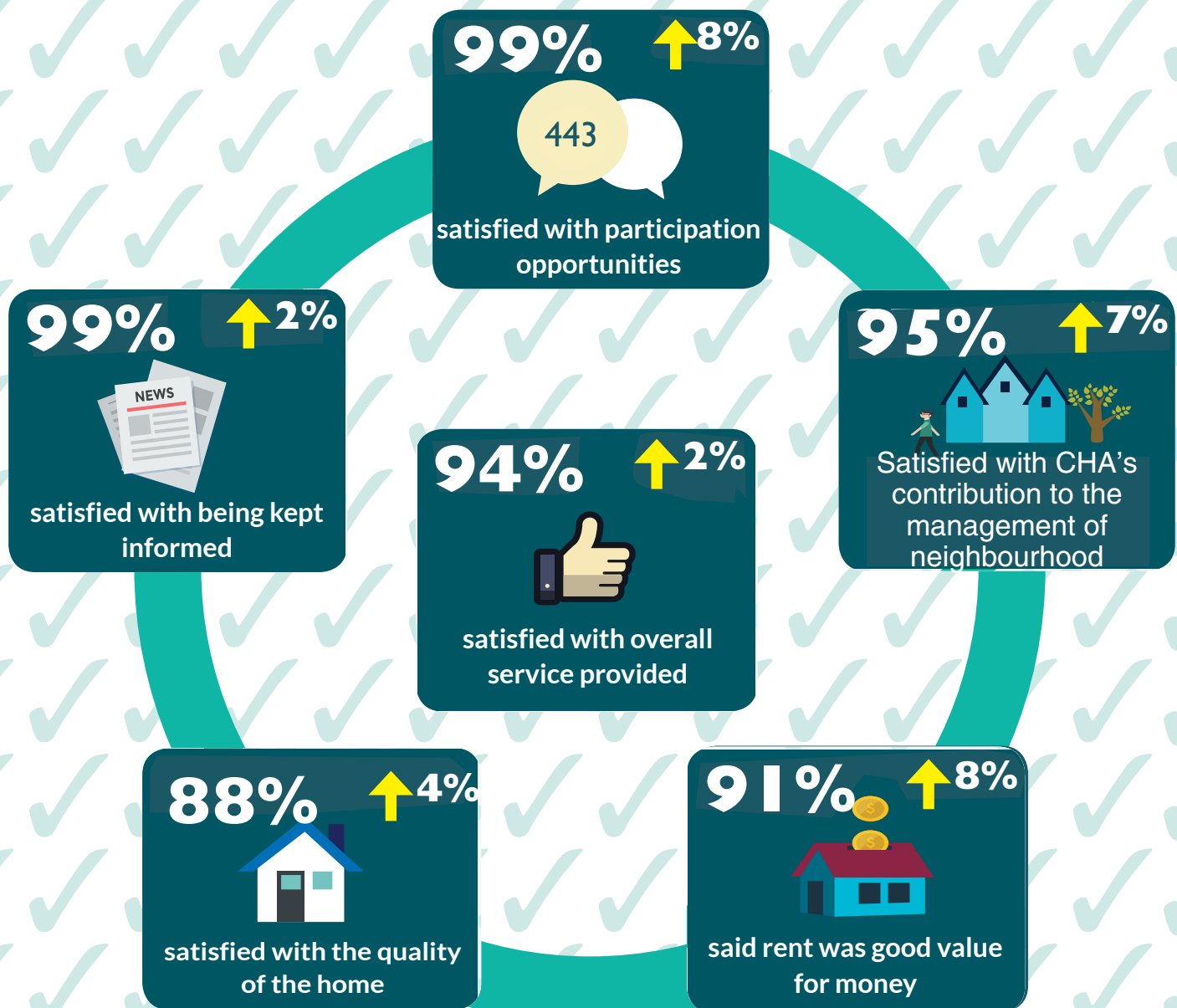
Our investment plans for 2020 included significant investment totalling £1.47 million in order to improve the energy efficiency of tenants' homes (heating and window replacements & insulation upgrades) so that we could achieve EESH by the December 2020 deadline. This is important work and supports the Scottish Government's vision of warm, high quality, affordable and low carbon homes.

Coronavirus initially adversely affected our selected contractor's ability to allocate adequate numbers of tradespeople to carry out works and, more recently, the pandemic has resulted in a shortage of the components we were seeking to replace. As a result, we will no longer be able to meet the December 2020 EESH deadline – the Scottish Government has acknowledged these unavoidable difficulties and has extended the deadline accordingly. We are currently working on plans to progress EESH compliance work as cost-effectively and as soon as we can – we will publish details of this in early 2021.

Tenant Satisfaction Results

In 2019, we instructed Research Resource to carry out a satisfaction survey. They asked 443 of our tenants a series of questions about the service we provide to you. We are delighted to see that the results are excellent and an improvement on previous year's results.

The Scottish Housing Regulator requires us to ask specific satisfaction questions and the results of some of these questions are in the table below:



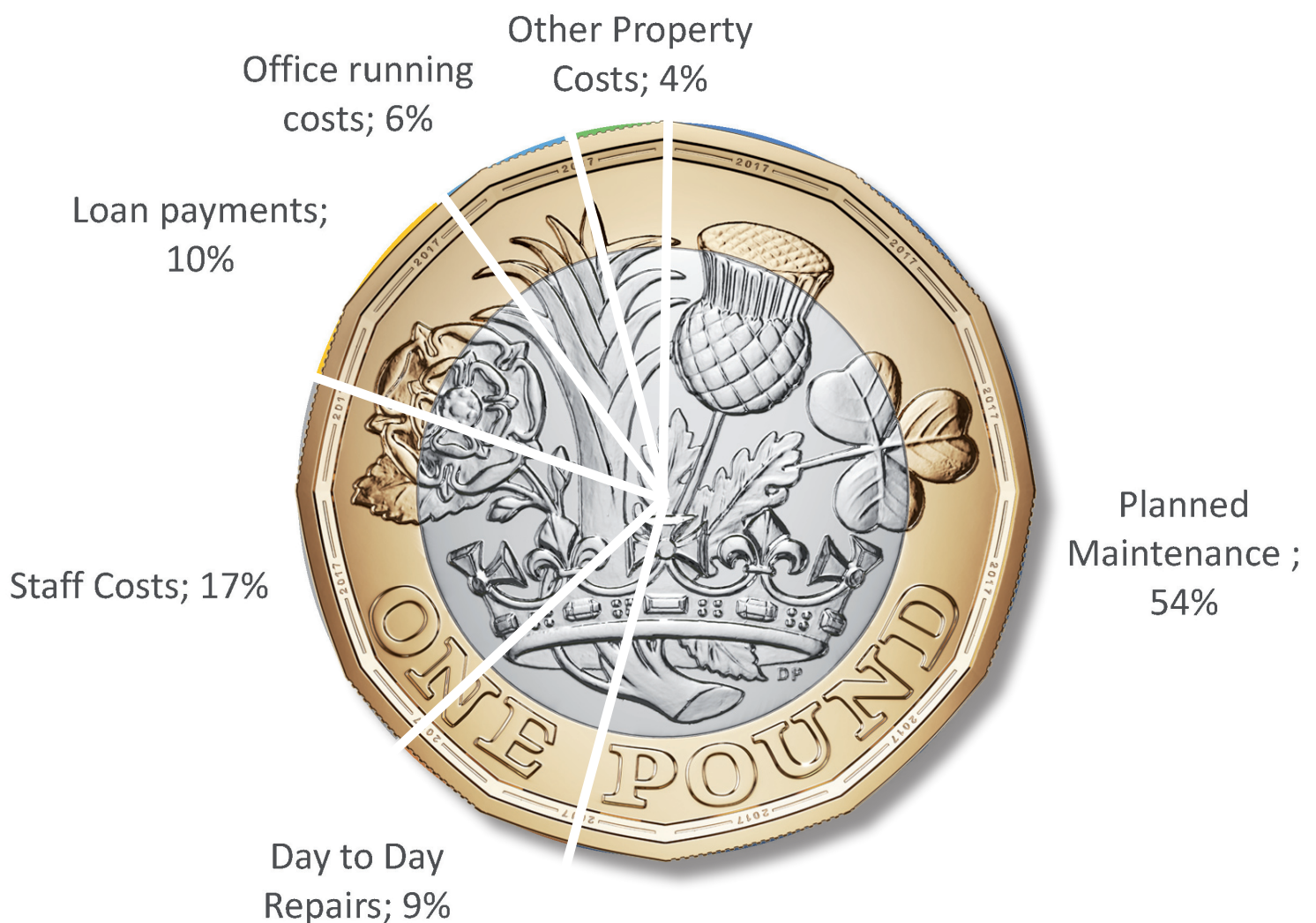
Tenant Satisfaction Results

Repairs and maintenance continues to be our tenants' most valued service and we are happy to report that satisfaction levels with our repairs service are the highest they have ever been as the graphic below shows:



Value For Money

As a not-for-profit housing organisation, delivering Value for Money is crucial. Every £1 that we spend on homes and services has to work for our tenants and communities. The graphic below shows how our projected costs for 2021/2022 will be allocated.



Value for money is at the heart of our approach, ensuring that we allocate our resources fairly, to benefit more of our tenants.

What do we mean by value for money?

Value for money is much more than a financial statement. It is about looking at everything we do and making sure:

Our rents are affordable

We aim to provide homes and services that represent value to tenants for the rent they pay.

We aim to offer rents at a level that tenants can afford to pay that provide an income to CHA that will fund services and future investment in the homes we provide.

Our financial planning is based on appropriate and reasonable assumptions and information, including information about what tenants can afford to pay and feedback from consultation with tenants on rent increases.

Consulting with our tenants on the annual rent setting process. This will include more than one proposed rent setting option, including information on the likely service provision implications of each option.

Quality of the Homes We Provide

We are committed to maintaining the homes we provide through a reactive, cyclical and planned maintenance regime.

Quality of Services and Tenant Satisfaction

We aim to provide an excellent standard of service. We have performance measurement systems in place to help us monitor our compliance with the Housing Charter and we compare our performance against that of other social landlords.

Effective Use of Procurement

Procurement is a high value activity for CHA that has a critical impact on our performance and success. Obtaining value for money through our procurement processes is therefore of paramount importance to us and our tenants.

Smart Working to Improve VFM Service Quality

We regularly review the effectiveness and efficiency of how we deliver services using process mapping and other techniques.

Planned Programme of Work 2020-21

This year has been very challenging for the Association in terms of our investment programme. The initial Covid-19 lockdown restrictions meant that all planned maintenance works had to be put on hold until restrictions eased. Also, only repairs of only an emergency nature were allowed to continue. This suspension on work led to many of contractors placing their workforces on furlough. We also witnessed the suspension in the manufacturing of major components such as heaters, boilers and spare parts for components.

This has had serious implications for our heating contract, which started in January 2020. The manufacture of the proposed Quantum electric heaters ceased during lockdown and has only just started again but with an 8 to 10 week delivery waiting time – unfortunately this means that it will not be possible to have this project completed in 2020. This also means that the Association will not be able to meet the Energy Efficiency Standard for Social Housing for 108 of our properties by the target date of 31 December 2020. We aim to rectify this over financial year 2021/22.

On the positive side, we have managed to make good progress in meeting our statutory obligations in terms of gas, electrical and fire safety. Our gas safety contract has just been completed and we are pleased to confirm that all properties with gas appliances (300 in total) have had their annual gas safety check within the 12-month anniversary date. We are also progressing with an electrical works contract which involves routine 5-yearly electrical safety checks along with replacement smoke alarms to bring them up to the new fire safety standards set by the Scottish Government.

Due to the uncertainty of manufacturing as a whole and the possibility of further restrictions being put in place, the Association's Management Committee took the decision to delay the kitchen replacement contract, which was out to tender before the first lockdown was imposed. Further contracts such as the window and door contract were also not progressed due to risks associated with Covid-19.

The impact of this is that contracts due for renewal in financial year 2020-2021 have to be moved to financial year 2021-2022. It remains to be seen how competitive the market will be, there is a real risk that costs to deliver these works could increase. The tables on page 9 show our anticipated planned & cyclical programme for next year, however, this is subject to tender prices received being in line with our approved budget. We will publish updated details on these contracts as the picture becomes clearer.

Planned Programme of work 2020-21

Component	Budget 20-21	Spend to date
Roof replacement	£39,000	£2,260
Kitchens	£109,384	£0
Bathrooms	£121,450	£45,844
Windows	£178,000	£0
Doors	£25,000	£0
Heating	£1.3m	£13,134
Grounds Maintenance	£63,406	£24,226
Grit box filling	£6,000	£0
Reactive Repairs to common areas	£36,122	£9,066
Reactive Repairs to dwellings	£252,000	£154,352
Voids	£72,000	£21,567
Cyclical Maintenance	£312,407	£38,400
Major Repairs	£253,444	£82,568

Total for 20-21 Budget = £2,768,213



Planned Programme of work 2021-22

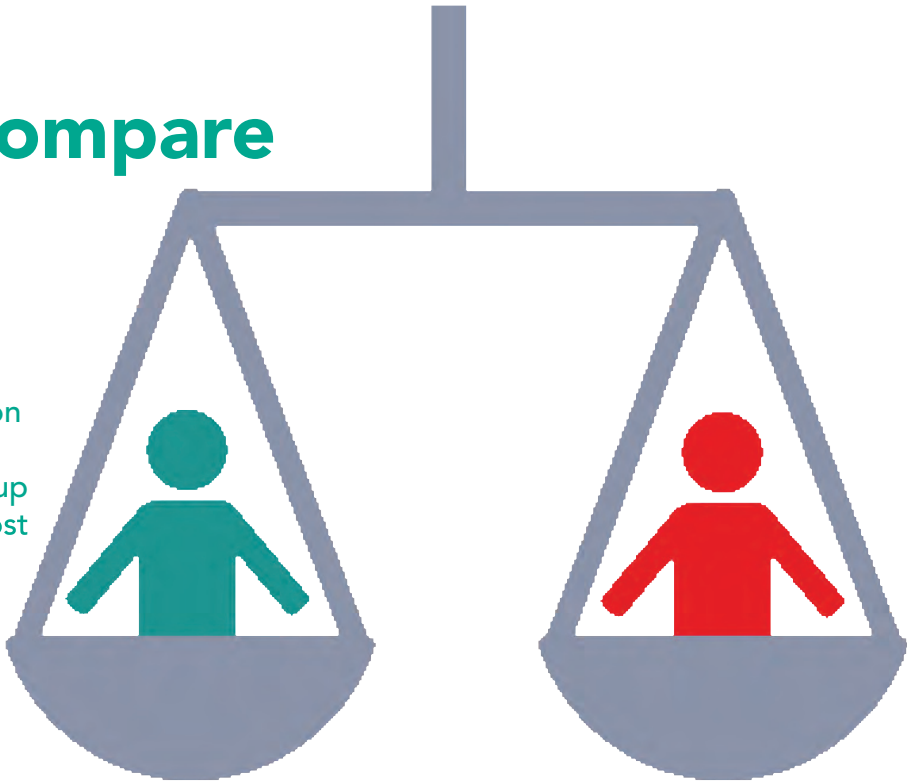


Component	Budget 2021-22
Roof replacement	£26,000
Kitchens	£179,500
Bathrooms	£144,000
Windows	£178,000
Doors	£54,000
Heating	£1.4m
Grounds Maintenance	£56,620
Grit box filling	£3,000
Reactive Repairs to common areas	£23,520
Reactive Repairs to dwellings	£284,000
Voids	£54,000
Cyclical Maintenance	£457,000
Major Repairs	£160,000

Total for 2021-22 = £3,019,640

How do we compare to other landlords?

We have provided some information below which shows you how we compare to the benchmarking group we have identified as being the most appropriate, rural registered social landlords (rsls) who are part of the Scottish Housing Network (SHN) and all housing associations in Scotland.



How well are we performing?

Scottish Housing Charter Indicator	CHA 2019/2020 Results	Rural RSL Results	Scottish RSL Average Results
How many hours did it take to carry out an emergency repairs	2.6	2.91	2.46
How quickly did we carry out routine repairs (days)	3.93	6.09	4.88
Rent Collected as % of total rent due	101.65	99.85	99.38
Gross rent arrears as % of total rent due in the year	2.51	3.81	4.23
Lost rent through empty properties as % of total rent due in the year	0.33	0.40	0.77
How quickly we re-let our empty properties (days)	12.00	12.96	22.46
How quickly we completed medical adaptations (days)	44.25	57.23	48.25

Rent: Comparison with other landlords

To avoid big rent increases in years where the programme of planned works is large, we have built up reserves of cash by applying a rent increase linked to an inflationary measure with an added 1%. This has meant our rents have increased steadily but remain favourable when compared to other landlords.

For benchmarking purposes the group we compare ourselves to are "rural" landlords because they are the best fit for us. The table below shows how we compare to the average of some rural landlords (Scottish Housing Network figures), as well as every landlord excluding local authorities in Scotland (Scottish Housing Regulator figures). RSL means "registered social landlord". These figures relate to the 2020/2021 rents.

Size of Home	CHA Average weekly rent	Rural RSL weekly rents	Average Scottish RSL weekly rent
2 apartment	78.61	79.53	78.75
3 apartment	84.13	89.48	86.49
4 apartment	92.20	98.20	95.68
5 apartment	109.15	108.60	106.51

We do appreciate these are average figures and your weekly rent may be more or less than this, but the figures do show our rents do compare favourably

What we need to consider when setting rents: -

There are a number of risks which affect CHA which the Management Committee need to consider when setting rents.

The rate of inflation – The Annual rent increases are based on the preceding September's Consumer Price Index (CPI) figure and have regularly included an additional percentage uplift in order to protect the Association's financial viability. However, future rent increases may not always be based on inflation measures and may be required to take account of the need to balance financial viability and rent affordability for tenants.

Rent Affordability - Although the rate of inflation is fairly constant, with prices of most goods and services continuing to rise, in most cases wage increases are still low. The Management Committee will always consider the issue of affordability when setting rents. The higher the rent increase then the less affordable our rents become to tenants. We wish to avoid this. The affordability section of this newsletter explains in more detail how we measure this.

Increase in CHA's own costs - The rate of inflation in CHA's own costs can be higher than the official rate of inflation. This is influenced by how much building costs are rising by and also Government Taxes which affect costs such as property insurance.

Interest Rates - What we pay on our borrowings is also a risk factor. CHA is still paying back the money which was borrowed to buy existing properties and also to develop new properties and improve existing ones.

Staffing levels – Changes out with CHA'S control can impact on staffing levels. An example of this was the introduction of Universal Credit when CHA needed to employ more staff to assist tenants deal with the change to their benefits and to help tenants who were/are finding it difficult to pay their rent whilst they are waiting on their application for universal credit being approved. Without the rent money coming in CHA would have no money to pay for services and repairs therefore arrears control is one of the top priorities for CHA.

New Government legislation – New legislation by the UK and Scottish Governments are implemented to ensure tenants receive a better service however, this comes at a cost. Government legislation, such as the Energy Efficiency Standard for Social Housing (ESSH) has a huge cost implication for CHA's stock.

Aging stock profile – As our properties age this can lead to higher future repair costs and we have to be planning for that now.

Cyber Security – Having appropriate measures in place will help CHA meet the requirements of the General Data Protection Regulation (GDPR). These rules require companies which hold personal data (like customer names, addresses, email addresses, phone numbers and payment card details) to have appropriate security measures in place to protect that data. Having appropriate systems and processes in place will help prevent unauthorised access to the vast amounts personal information we store.

It is the task of the Management Committee to consider ways to mitigate all of the above risks. To do this they examine the recommendations made by the Management Team at CHA using long term business forecasting and scenario planning. This means that the Committee look at income and expenditure over a thirty-year period for CHA with assumptions for inflation, interest rates, income, expenditure and including capital costs of improving houses. These assumptions are then varied to take into account the risks above and the effect on the business plan is assessed.

By performing this analysis, the Management Committee are able to ascertain the minimum rent increase required to ensure that CHA is financially viable over the long term and to ensure that CHA's property assets are maintained to the required standards and tenants' interests are safeguarded. This is a balancing act and the question we need to answer is: - **'what is the minimum rent increase required to ensure that our business model continues to work for our tenants?'**

Rent Proposal for 2021-22

2020 has been a very challenging year for everyone with the COVID-19 pandemic affecting all aspects of our lives. Our Management Committee and Staff recognise that the impact on tenants has been particularly hard and this was at the forefront of discussion when our Management Committee met on the 11 November 2020 to review the 2021-22 rent proposals.

With the above in mind, we want tenants to provide feedback to us on the following rent increase options we are considering for 2021-22: 0.5%, 1% or 1.5%

Option 1 – Rent increase of 0.5%

This will offer:

The continued delivery of the services already provided to you and your family, which includes property maintenance, management and planned investment in your home (as detailed on page 9).

However, we will consider reducing spending on non-direct service delivery activity by around £32,000 in order to compensate for the income shortfall this low increase would cause. Not all of these savings will be sustainable beyond next year - activities we would sacrifice such as training will need future investment so that we can update our people on the latest ideas - ideas that help us to keep improving the services we provide.

Option 2 – Rent increase of 1%

This will offer:

The continued delivery of the services already provided to you and your family, which includes property maintenance, management and planned investment in your home (as detailed on page 9).

This option would reduce the spending reductions referred to in the 0.5% option.

Option 3 – Rent increase of 1.5%

This will offer:

The continued delivery of the services already provided to you and your family, which includes property maintenance, management and planned investment in your home (as detailed on page 9),

No savings to non-direct service delivery areas would be required under this option.

Procurement: Next year we plan to work with a procurement specialist to improve our approach to how we buy goods and services from suppliers. This will improve the added value tenants receive from the contracts we enter into and therefore the value for money you receive for the rent you pay.

Longer term cost reductions: We will look to make reductions to our printing and postage budgets by posting our newsletters on our Facebook and Web pages. If you are a paper loving fan, don't worry you will still be able to get your newsletter in its original format by contacting us on 01555 665316.

Rent Affordability



Rent affordability is about the ability of an individual to pay the rent we charge, and we are very much focused on charging rents which tenants can afford. We need to achieve this whilst raising enough income from rents to fund services and the investment needed to protect the quality of your homes.

When we review rent levels, we use a recommended industry tool developed by the Scottish Federation of Housing Associations to check the affordability of our rent charges for a range of household types. We appreciate that every tenant's circumstances and household budgets are different however, this tool provides us with a strong indication of how affordable our rent charges are.

This approach suggests that where the level of household income exceeds 30% that the household is likely to encounter regular difficulty in affording to pay their rent. Ideally, we believe that this level should be not much more than 25% of a household's income. An assessment of the impact of our rent proposals for 2021-2022 is shown for a selection of household types in the tables below.

As you can see most of our homes comfortably meet the 25% of the household income measure.

Affordability - 1.50% increase	2apt	3apt	4apt	5apt
Single Person	24.50%	26.20%		
Couple - 1 works part-time. 1 works full time	16.30%	17.50%		
Couple both with full time	12.20%	13.10%		
Single parent 1 child		20.20%		
Single parent 2 children			17.90%	
Family 2 children			13.70%	16.20%
Family 3 children			12.00%	14.20%
Pensioner couple	16.30%	17.50%		
Single Pensioner	22.30%	23.80%		

Results from the 2019 Satisfaction Survey reported that 91% of tenants never experience difficulty in affording to pay their rent, whereas 7% reported that they occasionally experience problems. 1.5% of tenants said they regularly have difficulty and 0.5% always experience difficulty.

Tenants experiencing difficulty should contact their Housing Officer for advice and support with household budgeting and/or benefits advice.

What a rent increase will mean to you

What this will actually mean to you is in the rent increase consultation letter sent with this newsletter. The table below shows the increase for the average rents per apartment size for the 3 options.

We are pleased to report, due to costs being lower than anticipated, a reduction in the common maintenance charge for 2021-22

0.5% increase	Average rents in 2020-2021 This includes the common maintenance charge of £1.73/week	0.5% increase This includes the common maintenance charge of £1.59/week	Compared to the average 2020-2021 rents a 0.5% increase would mean an average weekly increase of:
2 apartment	£78.61	£78.86	£0.25
3 apartment	£84.13	£84.41	£0.28
4 apartment	£92.20	£92.51	£0.31
5 apartment	£109.15	£109.55	£0.40

1% increase	Average rents in 2020-2021 This includes the common maintenance charge of £1.73/week	1% increase This includes the common maintenance charge of £1.59/week	Compared to the average 2020-2021 rents a 0.5% increase would mean an average weekly increase of:
2 apartment	£78.61	£79.40	£0.79
3 apartment	£84.13	£84.97	£0.84
4 apartment	£92.20	£93.12	£0.93
5 apartment	£109.15	£110.24	£1.09

1.5% increase	Average rents in 2020-2021 This includes the common maintenance charge of £1.73/week	1.5% increase This includes the common maintenance charge of £1.59/week	Compared to the average 2020-2021 rents a 0.5% increase would mean an average weekly increase of:
2 apartment	£78.61	£79.63	£1.02
3 apartment	£84.13	£85.23	£1.10
4 apartment	£92.20	£93.42	£1.22
5 apartment	£109.15	£110.62	£1.47

We feel our that our rent proposals for 2021-2022 are fair and affordable.

Do you agree? Please let us know your views in the survey form attached.

In our 2019 tenant's satisfaction survey 91% of tenants surveyed (who did not receive full Housing Benefit) told us they have never experienced any difficulties paying their rent. This is consistent with the results of the affordability tool presented above.

How will the Association make the final decision on next year's rent levels?

This consultation newsletter has provided you with information showing:

- A summary of our performance and the feedback we have received from tenants;
- details and estimated costs of works to improve the quality of tenants' homes in 2021/22;
- the estimated cost of running the Association over 2021/22 and how we plan to spend income from rent paid by tenants;
- that our rents continue to meet recognised affordability standards within the social housing industry;
- that our rents still compare favourably with rents charged by other similar Registered Social Landlords.

These are all aspects that our Management Committee consider when budget and rent proposals are developed – this enables the Committee to make decisions that are focused on achieving good outcomes for our tenants and other service users.

More than in any other year, the Committee has had to identify and assess the risks facing the Association and how these could affect our ability to achieve our plans – not just for the year ahead, but also in the long-term.

The Coronavirus pandemic has already significantly disrupted our activities in 2020, and how it will impact on 2021 is still uncertain. Brexit is also looming and the effect this will have on tenants, our contractors and the wider economy is a matter of widespread discussion and uncertainty.

We hope that more clarity on the effects of the pandemic and Brexit will be available by mid-February 2021 when our Management Committee meet to make a final decision on next year's rent levels, but this is not guaranteed.

In making their final decision, the Committee will be influenced by the feedback from tenants on the rent increase options presented in this newsletter. The Committee will also be influenced by an assessment of what is required to maintain the Association's financial viability into the longer-term – this will include thinking about what level of money we need to be available in order to protect the Association from the worst financial effects of the pandemic, Brexit and any unforeseen challenges the future may bring.

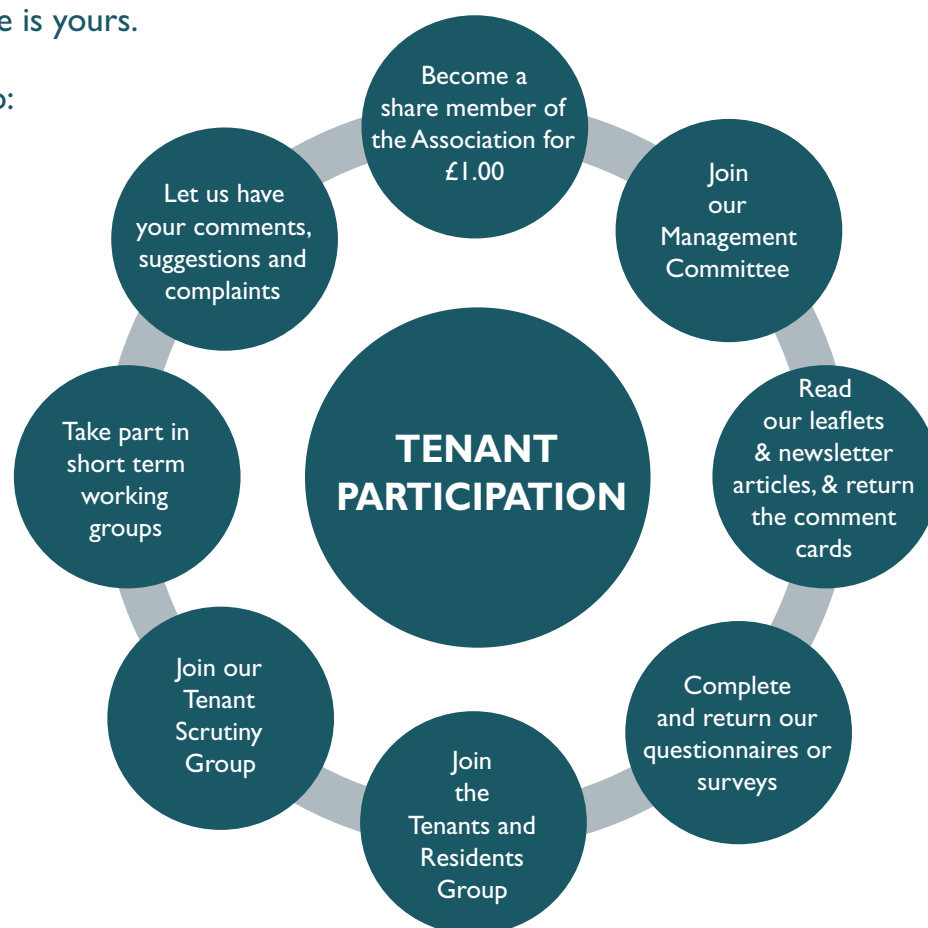
This is a complex task which the Committee takes very seriously so that Clydesdale Housing Association can continue to pursue its vision of **quality homes and excellent services for all – today, and in the future.**

Tenant Participation – Ways to get involved

Tenant Participation is about tenants taking part in the decision-making process and influencing decisions about housing policies, housing conditions and housing related services. Participation or “taking part” can mean different things to different people. It can range from getting information that is well presented and easily understood to becoming a member of the Management Committee involved in the running of the Association.

We give you the opportunity to get involved in the management of your home and/or neighbourhood in a number of ways, and at different levels so you can be as involved as much or as little you want to be. The choice is yours.

What you can do:



If you would like to get involved or would like more information, please call Jane Guthrie on 01555 665613. There are many benefits to getting involved such as meeting new people, having your say, gaining new skills, confidence building, making a difference.

Best ways to pay rent

Pay online -

allpayments.net – Add an account-choose a password. You will be asked to add your PRN No. which is the 19-digit number on your payment card. Your housing officer can also supply this number if requested.

By Phone –

Call 0844 557 8321 (calls charged at 7p per minute) or Text- Register at allpayments.net/textpay

You can telephone your Housing Officer who can take a payment over the telephone or set you up with a direct debit.

Standing Order

You can call us on **01555 665316** and we will send you the appropriate form.

Get in touch

PAY YOUR RENT

COMPLIMENTS

REPORT A REPAIR

BENEFITS INFORMATION

COMPLAINTS

FIND OUT WHAT'S GOING ON

TALK TO US

ALLOCATIONS



HAPPY TO TRANSLATE

Getting in touch...

39 North Vennel, Lanark ML11 7PT

telephone **01555 665316**

Email us at: mail@clydesdale-housing.org.uk

Send us an online message: www.clydesdale-housing.org.uk/contact-us/

Office Opening Hours

Monday - Thursday 9.00am - 5.00pm

Friday 9.00am - 4.00pm

Clydesdale Housing Association Limited is a not-for-profit housing association registered under the Co-operative and Community Benefits Societies Act 2014. It is also recognised by HM Revenue and Customs as a Scottish charity and is registered with The Scottish Housing Regulator under the Housing (Scotland) Act 2001 as a registered social landlord. Registered no.: 2237R(S) Scottish Charity: SCO34228 Social Landlord no.: HAL 93