**RENT SETTING CONSULTATION 2021/22**

Like many Associations, 2020 has seen challenging and uncertain times and Ruchazie is no different to others. We have had to work through the challenges of the Covid pandemic and there remains uncertainty about the impact of Brexit.

We are committed to supporting our tenants, now and in the future, and strive to ensure that your rent and service charges continue to be affordable and deliver value for money.

Our business plan is used as a planning tool which demonstrates our financial viability. Our focus is to continue to improve the quality of all our homes through capital investment (upgrading the main components of your home such as kitchens and boilers) as well as carrying out regular maintenance i.e. day to day repairs, gas service checks, electric checks, gutter cleaning. All of these are paid for through rents over the lifetime of the houses.

**Tenant Satisfaction**

90% of our tenants were satisfied with the overall service provided by the Association in our recent satisfaction survey, although slightly lower than satisfaction in previous years, satisfaction is higher than the Scottish Average of 89%.

**Performance**

The Scottish Housing Regulator collects information on how well social landlords perform, and reports this information on its website. The table below sets out how we performed on a range of key aspects against the Scottish average (2018/19 being the most recent Scottish average)

|  |  |  |
| --- | --- | --- |
| **Performance indicator** | **RHA 2019/20** | **Scottish average** |
| Time to complete emergency repairs | 4.1hrs | 3.65hrs |
| Time to complete non-emergency repairs | 3.4 days | 6.58 days |
| Repairs completed Right First Time | 95.1% | 93% |
| Anti-social behaviour cases solved | 100% | 88% |
| Time taken to relet houses | 2.6 Days | 31.89 days |
| House that became vacant during the year | 3.55% | 8.56% |
| Tenancy offers refused during the year | 0% | 36% |
| Gross rent arrears at financial year end | 2.45% | 5.66% |

**Costs to maintain our homes**

Each year, the Management Committee sets out a budget that determines how much we need to spend to maintain our homes. The table below outlines how this budget was set for the current year. Please note that replacements of kitchens/boilers is scheduled to be completed before the end of the financial year, and if not will be included in the following years programme.

|  |  |  |
| --- | --- | --- |
| **Service** | **Examples** | **Spend**  |
| Day to day repairs | Reported repairs  | £83,800 |
| Capital Investment | Replacement kitchen and boilers | £102,850 |
| Planned Maintenance | Smoke and heat detectors, gutter cleaning  | £69,793 |
| Regular Maintenance  | Gas service, close lighting, ground maintenance | £59,000 |

**Rent Comparisons**

In reviewing our rent levels for the coming year RHA benchmark with other similar size organisations. The table below sets out the rent levels for 4 community based housing associations operating within Glasgow, and the rent levels of our nearest neighbours GHA.

|  |  |  |  |
| --- | --- | --- | --- |
| **HA** | **Ave rent** | **HA** | **Average rent** |
| Ruchazie HA | £77 | Hawthorn HA | £67.26 |
| Gardeen HA | £72.30 | Abronhill HA | £80.91 |
| Blochairn HA | £77.32 | GHA | £84.57 |

 **Affordability**

In our recent tenant satisfaction survey 81% of our tenants agreed that the homes and services we provide represent good value for money.

The table below shows the weekly rent expressed as a percentage of earnings based on different household make ups and house sizes. Earnings are based on the living wage. Apartment size referred to in the table is that reported on within our Annual Return on the Charter, these calculations are based on a 1.7% increase.

CTB – Council Tax band

HC % of income as Housing Costs



**What are the proposals for rents?**

In order to deliver services and improvements to your home we need to consider what income we require, not only in the short term but also in the longer term to protect our assets. It is our aim to keep our rents as affordable as possible but also to continue to invest in our homes

To deliver our maintenance programmes for 2021/22, our Business Plan assumes a rent increase based on Consumer Price Index inflation (CPI)+1%. The published information relating to October 2020 shows CPI at 0.7% and on this basis, this **would suggest a rent increase of 1.7%.** An increase at this level would allow us to deliver our maintenance and investment programmes for 2021/22 and maintain other core service delivery at current levels.

Around 38% of your rent money pays for repairs and maintenance to your home. The chart below shows how this is applied to each area of maintenance in our proposed budget for 2021/2022.

A lower rent increase would jeopardise our delivery programmes in the longer term, and affect our ability to meet our commitments to lenders (mortgages we take out to build new homes over the 25-year period).

A rent increase of higher than 1.7% may allow us to bring forward our improvement programme, whereby replacements could be carried out at an earlier date than planned.

**Bulk Uplift Service**- Glasgow City Council have informed us that the bulk uplift service will no longer be provided free of charge. From March 2021, residents will have to book an uplift and the charge is likely to be approx. £35 for each uplift up to 10 items. Should tenants wish the Association to deliver a similar service, a service charge equating to approx. £5 per month would be applied to all tenants. **This charge would be in addition to the rent increase.**

In addition to the bulk uplift provision the Association could consider expanding the estate management services to include grass cutting for all tenants, close cleaning and bin service to take out and put back bins on uplift day as well as bin store cleaning. In a recent survey about estate services we asked tenants about expanding the current service as outlined above. Only a handful of tenants who responded would like such a service. Therefore, this will not be considered at this time.

**What will this mean for you?**

The table below gives an indication of rent increased applied (current service charges not included).

 

The Management Committee will take into consideration all of the above information and your responses to this consultation before making a final decision in January. We are always keen to get your feedback on rent and services and on what services you would like us to provide in the future. **Please provide your name and contact details and we will include you in our prize draw.**

 **Please tell us what you think of our proposals. You can do this by**

* **Completing and returning the Rent Consultation Feedback form enclosed.**
* **Emailing us at** **administrator@ruchazieha.co.uk**
* **Private message on our Facebook Page**
* **Completing the rent consultation feedback form on our website** [**www.ruchazieha.co.uk/rentconsultation**](http://www.ruchazieha.co.uk/rentconsultation)