

Ayrshirehousing

Annual Rent Review 2019-20

Introduction

Ayrshire Housing has always been committed to consulting with our tenants over the quality of our services, the standard of accommodation we provide and any changes to the rents that we charge for these services and accommodation.

We also regularly seek tenants' views on what services are most important and what additional services might be worth consideration. An example of how we responded to such consultation was when we introduced our in-house money advice and welfare benefits service funded directly from the income we receive from tenants' rent payments.

This service has resulted in financial gains for our tenants of almost £690,000 in the first 6 months of this financial year, almost double the amount gained in the same period last year.

We are also planning to carry out another comprehensive survey of our tenants during 2019 focussing on the satisfaction you have with our services and whether they provide you with value for money.

Our Approach to Setting Rents

At its meeting in February the Board will require to set a budget for the forthcoming financial year. This budget will include the rent that the association needs to charge to ensure that it can meet all the costs of managing, maintaining and improving the housing stock. All the income we receive is used for these purposes, as well as covering the interest on the loans both to pay for building the home in which you live and for new houses. We are also building more homes to address the increasing demands from applicants who either wish to become one of our tenants or those current tenants who require the opportunity to move to accommodation which is more suitable to their needs.

Here is a breakdown of our likely costs for this year:

AYRSHIRE HOUSING TOTAL COSTS 2018/19	%	£
Maintenance and Improvement Works	40%	2,402,677
Management Costs	25%	1,532,845
Interest on Loans	19%	1,143,082
Depreciation	14%	821,300
Insurance Costs	1%	58,500
Voids and Bad Debts	1%	84,143
	100%	6,042,547

Between this current year and next we are planning to spend approximately **£5,062,487** on repairs, maintenance and improvements to our houses. This expenditure includes provision for replacement doors, kitchens and heating systems all of which should improve the living conditions for tenants and help ensure that our houses are energy efficient. This level of expenditure is dependent on us having the required income through rents to enable us to

afford such works. We are, however, entering a period where the costs we are experiencing are showing signs of real growth and, as such, our ability to keep rent increases limited to inflation only is becoming increasingly difficult.

The Proposal

The Board is suggesting an increase of no more than 3% which, for a typical 2 bedroom house would mean no more than £2.50 a week. Using this percentage increase as a maximum we have sought to try and reconcile the financial pressures facing our tenants with the value they place on us continuing to provide high standards of services. Following the trend over recent years our proposed increase is, once again, lower than many of our peers in the Glasgow and West of Scotland Forum of Housing Associations.

What Happens Next?

At its meeting in February the Board will make a final decision regarding the rents to be charged from 1 April 2019. It wants to hear your views first though.

You can comment in the following ways:

- By completing the enclosed rent consultation survey.
- By writing to the association.
- By completing the survey online on our website at www.ayrshirehousing.org.uk
- By emailing the association at info@ayrshirehousing.org.uk
- By contacting your Housing Officer and asking for your views to be passed on.
- By posting your comments on our Facebook page www.facebook.com/ayrshirehousing/

If you wish to be entered into a prize draw for a £25.00 shopping voucher please provide your name and address when completing and returning the survey form which can be returned in the pre-paid envelope provided. There will be 5 lucky tenants who will each receive one of these vouchers.

In order to take part in the draw your completed survey should be received in this office by close of business on **Friday, 1 February 2019**. If you give us your views by any other means such as email, telephoning us or by speaking to your Housing Officer please let us know if you also wish to be included in the prize draw.

We will report your views to the Board which will allow them to make an informed decision. After the Board has taken its decision we will write to you no later than 1 March 2019 advising as to what your rent, including any service charges, will be from 1 April 2019 which is payable monthly in advance.