

15 December 2020

Dear

## Annual Rent Review 2021-2022

### Introduction

Ayrshire Housing is committed to consulting with all our tenants on the quality of our services, the standard of accommodation we provide and any changes to the rent that we charge.

We also regularly seek tenants' views on what services are most important and what additional services might be worth consideration.

Last year we commissioned an independent tenant satisfaction survey and we were delighted to report that 86% of tenants rated our rents as providing either very good or fairly good value for money.

### Our Approach to Setting Rents

At its meeting in February 2021 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 repayment of loans 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:

<b>AYRSHIRE HOUSING TOTAL COSTS 2020/21</b>	<b>% (rounded)</b>		<b>£</b>
<b>Maintenance and Improvement Works</b>	<b>33%</b>		<b>2,717,187</b>
<b>Management Costs</b>	<b>23%</b>		<b>1,835,667</b>
<b>Loan repayments</b>	<b>16%</b>		<b>1,270,851</b>
<b>Interest on Loans</b>	<b>16%</b>		<b>1,286,778</b>
<b>Depreciation</b>	<b>11%</b>		<b>853,000</b>
<b>Insurance Costs</b>	<b>1%</b>		<b>62,400</b>
<b>Voids and Bad Debts</b>	<b>1%</b>		<b>93,799</b>
<b>Total</b>	<b>100%</b>		<b>8,119,682</b>

Between this current year and next we are planning to spend **£5,574,055** on repairs, maintenance and improvements to our houses. This expenditure includes provision for replacement doors, kitchens, bathrooms and heating systems, all of which should improve the living conditions for tenants and help ensure that our houses are energy efficient. We have also been carrying out a programme of upgrading our smoke and heat detection alarm systems in all our properties in order to meet the new and improved standards introduced by the Scottish Government as well as progressing with a programme of carrying out electrical safety inspections in all of our properties. This level of expenditure is dependent on us having the required income through rents to enable us to afford such works. We are, however, in a period where future costs and income are uncertain and, as such, our ability to keep rent increases limited to inflation only is becoming increasingly difficult.

## The Proposal

We know that, as a result of the Covid-19 pandemic, many of our tenants are facing increasing pressures and uncertainty over incomes and spending levels. We are also facing uncertainty as an organisation with regards to possible increased costs for materials and services. We are also aware that next year we will have to factor in the need to budget for catch-up repairs that were not able to be carried out due to the restrictions imposed on our contractors due to the pandemic. However, despite these uncertainties and likely cost increases we have tried to keep the proposed rent increase as low as possible.

The Board is suggesting an increase of no more than 1.5% which, for a typical 2-bedroom house, would mean no more than £1.27 a week. Last year we consulted on an increase of 2.9%. Using this percentage increase as a maximum we have, once again, 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.

From information being shared by many of our peers in the Glasgow and West of Scotland Forum of Housing Associations our proposed increase is within the range of figures being consulted on by many members of that Forum.

## What Happens Next?

At its meeting in February the Board will make a final decision regarding the rents to be charged from 1 April 2021. It wants to hear your views first, though.

You can comment in the following ways:

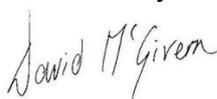
- By completing the enclosed rent consultation survey.
- By writing to the association.
- By completing the survey online using your My Home account or on our website at [www.ayrshirehousing.org.uk](http://www.ayrshirehousing.org.uk)
- By emailing the association at [info@ayrshirehousing.org.uk](mailto:info@ayrshirehousing.org.uk)
- 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/](https://www.facebook.com/ayrshirehousing/)

If you wish to be entered into a prize draw for a £25.00 shopping voucher, please complete and return the survey form 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 5 February 2021**. 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 2021 advising as to what your rent, including any service charges, will be from 1 April 2021 which is payable monthly in advance.

Yours sincerely



**David McGivern**  
Head of Housing Services