

RENT POLICY 2023-2024

INTRODUCTION

Ayrshire Housing provides affordable rented housing for the benefit of a wide range of households. The association aims to manage and maintain its properties to the highest possible standards. It is committed to working with local communities to meet their housing needs by the provision of houses designed and built to the highest standards, with a particular focus on adaptability and on minimising energy costs.

In calculating the basic rent charge, Ayrshire Housing must take account of three main factors:

- Does it ensure the viability of the association (i.e., is there enough money coming in to meet its short and long-term commitments?)
- Is it affordable and acceptable for the majority of tenants and applicants?
- How it compares with other housing providers in the area.

AFFORDABILITY

The association recognises that when setting rents, it must take account of tenants' and prospective tenants' abilities to pay, giving particular attention to those in low paid employment. This a particular consideration when real incomes are falling.

The SFHA's Guide to Rent Setting and Affordability tool has been used to assess whether or not the associations rents remain reasonably affordable.

To maintain affordability levels, the Board seeks to keep rent increases as low as possible and in line with other landlords.

The most recent tenant satisfaction survey (2022) found that 74% of tenants consider that the rent charged represented good value for money. It is recognised though that the figure was 86% in 2019.

There is little evidence that current rent levels are discouraging the take up of offers of housing.

CONSULTATION

Ayrshire Housing is required through the Scottish Secure Tenancy to obtain and take account of the views of its tenants when considering proposals to change rent levels. To meet this obligation, tenants were asked for their views on a possible increase of 5%, equivalent to £4.89 a week for a typical 3 apartment house. Opinion was sought on a range of options from no increase to the proposed one. Feedback was invited through a

survey form to each tenant, online surveys through the public website, My Home - tenant portal and social media, and through informal discussion.

206 responses were received of which 74% were content with the suggested increase.

COSTS TO BE COVERED BY RENTAL INCOME

Ayrshire Housing recognises that enough money must be budgeted for and collected through rental income for it to be financially viable. In this way it can meet its service obligations and borrow to build additional much needed dwellings. It seeks to balance the interests of both its existing tenants and of applicants. A draft budget aimed at minimising the projected rent increase underpinned the consultation figure.

COMPARISON WITH OTHER LANDLORDS

For rents to represent value for money they should be broadly comparable with those set by other providers of similar housing in the area.

From information collated by the Scottish Housing Regulator, Ayrshire Housing's rents are broadly in line with those charged by other housing associations and the Councils in Ayrshire.

The rent increase from 1 April 2023 is also broadly comparable with the rent increases of other landlords in Ayrshire and in Scotland as whole.

2023-2024 RENT INCREASE

Following careful consideration by the Board, an increase of 5% has been approved for 2023-2024. This is in the line with the consultation figure.

Tenants are given at least one month's notice of changes to their rent.

CALCULATING RENTS FOR DIFFERENT PROPERTIES

Like many housing associations, Ayrshire Housing uses a value system to determine the rent for each property type. This system is generally seen to be consistent and fair. It has been applied by Ayrshire Housing since 2003.

Account is taken of key property attributes through uniform adjustments from a base rent (that of 2-person, 1-bedroom house). The system gives a consistent basis to set rents which reflect the differences in properties by size, the number of bedrooms and additional amenities.

The rent matrix in the annex below shows the resulting rents by house type. The rents are rounded to the nearest £.

The rent levels that the association charges for properties leased to or managed by other agencies may differ from the normal rents because of the different responsibilities and expenditures involved. Where the association has overall responsibility for such projects

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and their management, repair and maintenance costs and insurance costs can be higher than usual. However, costs for bad debts may be lower, and the cost of voids will usually be the responsibility of the partner organisation. To ensure that the rental income is sufficient to cover the expected overall costs, the rent charged for individual houses is adjusted from the standard rent by an individually set premium. Rents are also charged for any communal living areas and staff accommodation in a similar manner (with initial reference to the number of rooms provided).

For shared ownership houses, the basic rent paid to the association for its share of the house is the rent derived from the formula as above, less the last stated Scottish Government management and maintenance allowances for Housing Association Grant, multiplied by the fraction of the house owned. In addition to the rent, a management fee is also payable.

SERVICE CHARGES

Service charges are calculated independently from the rent setting method and are designed to cover the costs of providing and administering additional services specific to each development or tenancy.

Service items are agreed on a case-by-case basis and are subject to tenant consultation wherever possible include:

- Close floor and window cleaning.
- Provision of furnishings.
- Provision of additional housing services

To create uniformity in the handling of ground maintenance and other non-negotiable services across the stock, a sum of £84 was consolidated in the standard rent on 1 April 2005 to cover items previously charged for through a variable service charge. This figure adjusted each year can therefore be excluded from the rents reported to the Scottish Government with regard to Housing Association Grant. In 2023-2024, the consolidated service element for this purpose is £153.

To reduce charges to tenants and reflecting feedback, the maintenance of private garden areas and the cleaning of dwelling windows is now the responsibility of tenants. This was phased in from 1 April 2005 based on scheme-by-scheme consultation. Elderly and disabled tenants may be eligible for a free garden tidy scheme on application.

Annex

AYRSHIRE HOUSING RENT MATRIX				
		21/22	22/23	23/24
		Annual	Annual	Annual
Flats				
1 Person, 1 bedroom		£4,003	£4,183	£4,392
2 Person, 1 bedroom		£4,208	£4,398	£4,617
2 Person, 2 bedroom		£4,414	£4,612	£4,843
3 Person, 2 bedroom		£4,619	£4,827	£5,068
4 Person, 2 bedroom		£4,824	£5,041	£5,293
4 Person, 3 bedroom		£5,030	£5,256	£5,519
Houses				
1 Person, 1 bedroom		£4,044	£4,226	£4,437
2 Person, 1 bedroom		£4,249	£4,441	£4,663
2 Person, 2 bedroom		£4,455	£4,655	£4,888
3 Person, 2 bedroom		£4,660	£4,870	£5,113
4 Person, 2 bedroom		£4,865	£5,084	£5,338
4 Person, 3 bedroom		£5,071	£5,299	£5,564
5 Person, 3 bedroom		£5,276	£5,513	£5,789
6 Person, 3 bedroom		£5,481	£5,728	£6,014
6 Person, 4 bedroom		£5,687	£5,943	£6,240
7 Person, 4 bedroom		£5,949	£6,217	£6,528
8 Person, 4 bedroom		£6,161	£6,439	£6,761
8 Person, 5 bedroom		£6,374	£6,661	£6,994

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