



# Rent Consultation Newsletter

JANUARY 2019

Welcome to this special edition of Bridgewater News on the annual consultation of your rent charge. Your views matter and it's important that we hear your opinion on our proposals for 2019/20. All tenants pay rent, regardless of whether you receive full or partial Housing Benefit, Universal Credit, or pay the full charge yourself.

We have again asked Research Resource, an independent research company, to carry out a telephone survey for us on the proposed increase. The survey will run from **Monday 21st January to Friday 8th February**.

Research Resource will randomly select 200 tenants for the survey – this represents around 23% of our tenants. The telephone survey will be confidential and if you want to, you can remain anonymous if contacted, however it would be helpful if you could disclose your name and address so that your name and response can be reported back to us with any comments you may have.

If you want to be involved in this survey, and you haven't been contacted by the researchers, you can call Research Resource direct on 0800 121 8987 or email [info@researchresource.co.uk](mailto:info@researchresource.co.uk) from **21st January**. Please note that some calls may be made early in the evening and over the weekend.

The rent consultation doesn't cover increases in service charges. If you pay a service charge we will consult you separately on this.

## Proposed Rent Increase for 2019/20

The Association's Board hasn't yet taken a decision on the rent increase for 2019/20 but in preparation for their discussion, would like to know your views on a **2.5% increase**. This increase is based on the Association's approved Business Plan and our commitments to maintain and modernise our houses, while continuing to deliver high quality services to you. We know, for example, that over the next few years we will have to continue carrying out extensive re-roofing work, boiler replacement, and modernising kitchens and bathrooms.

Inflation (RPI) was 3.2% in November, and average RPI between January and November 2018 was 3.4%. We are therefore pleased to consult you on a below inflation increase.



# Home Improvement Proposals for 2019/20

The rent increase will help fund next year's improvement programme, which includes:

**87** bathrooms and kitchens

**5** properties rewired

**110** replacement boilers

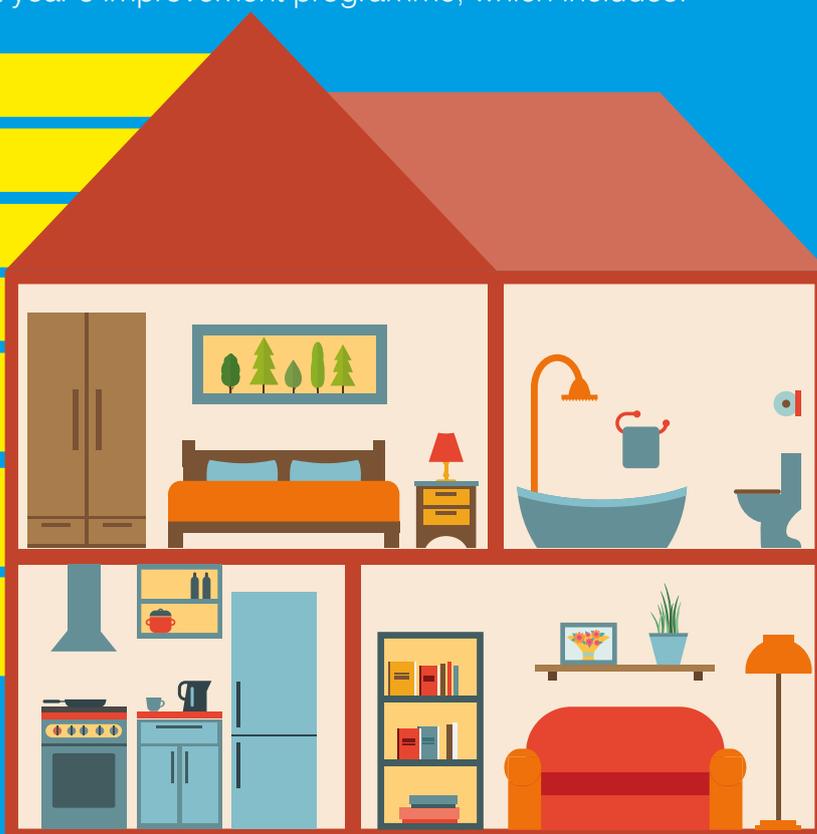
**120** properties re-roofed

**10** new doors to lock up garages

On-going painterwork to **331** properties

Resurfacing work to car parks and footpaths

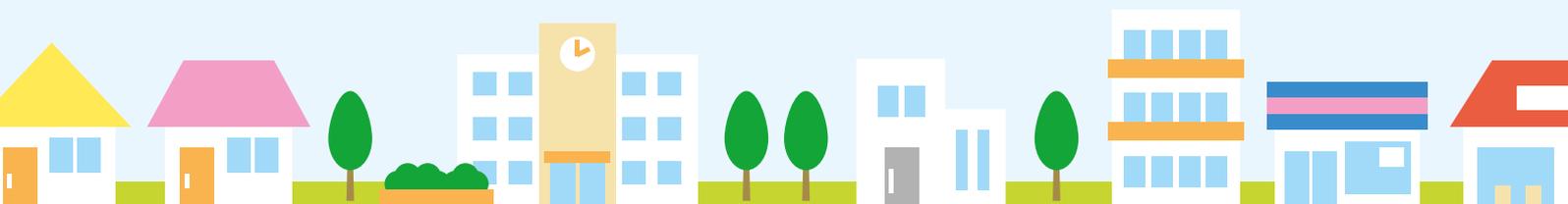
This work has been prioritised based on the condition and age of properties in our estates.



## How we plan to spend your rent next year

|  |                   |
|--|-------------------|
| Planned Maintenance/Investment Programme   | £2,250,655        |
| Staff costs & office overheads   | £1,532,876        |
| Reactive Repairs (day to day repairs)  | £448,025          |
| Cyclical Repairs (eg gas safety & cleaning gutters, painting)                    | £238,603          |
| Other estate costs (open space maintenance, grass cutting etc)                   | £244,371          |
| Loan Repayments (paying back money we have borrowed to buy and build our houses) | £1,029,679        |
| <b>Total</b>   | <b>£5,744,209</b> |

Next year's planned expenditure will be greater than the rental income of £3.9m for the year and the shortfall will be met from the Association's reserves.



## Our Rent Increases

When we took over from Scottish Homes in 1998, we agreed that we would not increase rents by more than inflation + 1%. We were legally required to use the inflation figure for December each year to work out how much to increase your rent by.

From 2011/12, we no longer have to keep to this Agreement, but remain committed to keeping rent increases as low as possible, while at the same time collecting enough

income in order to carry out our programme of major repairs and improvements.

In 2013/14 we reviewed the rent structure of our older properties - this is the housing that we acquired from Scottish Homes in 1998 as part of the stock transfer (LSVT stock) – to create a fairer and more transparent rent structure. This table shows what our rent increases have been since 2010/11.

| Year    | Increase | Year    | Increase | Year    | Increase |
|---------|----------|---------|----------|---------|----------|
| 2010/11 | 3.4%     | 2013/14 | 3.0%     | 2016/17 | 1.5%     |
| 2011/12 | 4.5%     | 2014/15 | 2.9%     | 2017/18 | 2.0%     |
| 2012/13 | 4.5%     | 2015/16 | 1.9%     | 2018/19 | 2.0%     |

## What the proposed increase will mean for you

The table below shows the average monthly rent for each size of property, with the proposed increase of 2.5%. The average weekly amount is highlighted in yellow.

| Property Size                                     |             | Average 2018/19 Monthly Rent | Average 2019/20 Monthly Increase | Average 2019/20 Weekly increase | Average 2019/20 Monthly Rent |
|---|-------------|------------------------------|----------------------------------|---------------------------------|------------------------------|
| <b>Studio Flat</b>                                | 1 apartment | £214.14                      | £5.35                            | £1.23                           | £219.49                      |
| <b>1 bedroom</b>                                  | 2 apartment | £306.19                      | £7.65                            | £1.77                           | £313.84                      |
| <b>2 bedrooms</b>                                 | 3 apartment | £381.99                      | £9.55                            | £2.20                           | £391.54                      |
| <b>3 bedrooms or 2 bedrooms &amp; dining room</b> | 4 apartment | £414.09                      | £10.35                           | £2.39                           | £424.44                      |
| <b>4 bedrooms or 3 bedrooms &amp; dining room</b> | 5 apartment | £456.78                      | £11.42                           | £2.64                           | £468.20                      |
| <b>4 bedrooms &amp; dining room</b>               | 6 apartment | £494.19                      | £12.35                           | £2.85                           | £506.54                      |



# Comparison with the Private Rented Sector in Erskine

Bridgewater is the main provider of social rented property in Erskine and so it is difficult to make a rent comparison with other social landlords. The alternative is to purchase a property or rent privately.

If you were to rent a similar property in Erskine through a private landlord, here are the rents which would likely be charged during 2019/20. These are based on the Local Housing Allowance payable in Renfrewshire.

| Property Size                             |             | Bridgewater HA Average 2019/20 Monthly Rent | Private Landlord 2019/20 Monthly Rent |
|---|-------------|---|---------------------------------------|
| 1 bedroom                                 | 2 apartment | £313.84                                     | £349.05                               |
| 2 bedrooms                                | 3 apartment | £391.54                                     | £440.01                               |
| 3 bedrooms or<br>2 bedrooms & dining room | 4 apartment | £424.44                                     | £543.49                               |
| 4 bedrooms or<br>3 bedrooms & dining room | 5 apartment | £468.20                                     | £826.80                               |
| 4 bedrooms & dining room                  | 6 apartment | £506.54                                     | £826.80                               |

## YOUR VIEWS ARE IMPORTANT

The annual consultation on your rent charge is really important. When you think through what our proposed rent increase means for you, please consider the following questions carefully:

### ◆ VALUE FOR MONEY

Given what you know about how much it costs to rent a similar property in the private rented sector, do you think that the rent increase represents value for money?

### ◆ AFFORDABILITY

Do you think that your rent is affordable?

### ◆ INFORMATION ABOUT THE RENT INCREASE

Are you satisfied with the level of consultation and information you receive on the annual rent increase?

If you can, please spare 10 minutes to participate in the telephone survey and tell us your thoughts on the proposed rent increase.

In addition to the telephone survey, we will be holding an Open Day in the office on **Friday 25th January** when senior staff will be available to speak to you about the proposed increase. Please feel free to drop into the office between 9.30am and noon, or between 1pm and 4pm.



## What happens next?

The results of the survey and tenant discussions with staff at the Open Day will be fed back to the Association's Board. This will allow them to consider the responses before finalising the increase for 2019/20. You will receive a rent review letter before the end of February confirming your rent (and any service charge you have to pay) from 29 March 2019.