



BRIDGEWATER NEWS

RENT CONSULTATION NEWSLETTER

JANUARY 2020

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 2020/21. 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 **Thursday 16th January to Friday 31st January 2020.**

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 from **16th 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 2020/21

The Association's Board hasn't yet taken a decision on the rent increase for 2020/21 but in preparation for their discussion, we 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 2.2% in November, and average RPI between January and November 2019 was 2.5%. We are therefore pleased to consult you on an increase in line with inflation and based on our Business Plan.

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 had to keep to this Agreement, but remained 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 (LSVT¹ 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%	2014/15	2.9%	2018/19	2.0%
2011/12	4.5%	2015/16	1.9%	2019/20	2.5%
2012/13	4.5%	2016/17	1.5%	2020/21*	2.5%
2013/14	3.0%	2017/18	2.0%		

*Proposed

Home Improvement Proposals for 2020/21

Our proposed investment programme is prioritised based on the condition and age of the properties and the annual rent increase will help fund next year's improvement programme, which includes:

Number of Properties	Type of Improvement
25	Bathroom and kitchen replacements
20	Rewires
830	Electrical safety checks
840	Fire safety upgrades
16	External wall insulation
100	Boilers
110	Re-roofing
30	New doors to lock up garages
230	On-going paint work
Various	Resurfacing work to car parks and footpaths

How we plan to spend your rent next year

Estimated Budget 2020/21	£
Planned Maintenance/Investment Programme	2,239,000
Staff costs & office overheads	1,545,000
Reactive Repairs (day to day repairs)	436,000
Cyclical Repairs (e.g. gas safety & cleaning gutters, painting)	281,000
Other estate costs (open space maintenance, grass cutting etc)	206,000
Loan Repayments (paying back money we have borrowed to buy and build our houses)	916,000
Total	5,623,000

¹ Large Scale Voluntary Transfer

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 2019/20 Monthly Rent	Average 2020/21 Monthly Increase	Average 2020/21 Weekly increase	Average 2020/21 Monthly Rent
Studio Flat	1 apartment	£219.49	£5.48	£1.26	£224.97
1 bedroom	2 apartment	£306.60	£7.66	£1.76	£314.26
2 bedrooms	3 apartment	£391.97	£9.80	£2.25	£401.76
3 or 2 bedrooms & dining room	4 apartment	£447.53	£11.18	£2.57	£458.71
4 bedrooms or 3 bedrooms & dining room	5 apartment	£475.43	£11.88	£2.74	£487.32
4 bedrooms & dining room	6 apartment	£506.53	£12.66	£2.92	£519.20

Average weekly increase of £2.25

Comparison with the Private Rented Sector in Erskine

Bridgewater HA is the main provider of social rented property in Erskine, therefore, it is difficult to make a rent comparison with other social landlords. If you were to rent a similar property in Erskine through a private landlord, the table below shows the Local Housing Allowance (LHA) which is the maximum benefit which Renfrewshire Council will pay towards rent. The Private Landlord rent charge is likely to be much higher than the LHA.

Property Size		Bridgewater Average 2020/21 Monthly Rent (2.5% increase)	Private Landlord Monthly LHA
Studio Flat	1 apartment	£224.97	n/a
1 bedroom	2 apartment	£314.26	£349.05
2 bedrooms	3 apartment	£401.76	£440.01
3 bedrooms or 2 bedrooms & dining room	4 apartment	£458.71	£543.49
4 bedrooms or 3 bedrooms & dining room	5 apartment	£487.32	£826.80
4 bedrooms & dining room	6 apartment	£519.20	£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:

1. 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?

2. AFFORDABILITY

Do you think that your rent is affordable?

3. 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 31st January 2020** when senior staff will be available to speak to you about the proposed increase. Please feel free to drop into the office between 10.00am and 12 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 2020/21. 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 2020.