

Changing lives – making a difference

Rent Consultation

2019/20

| DECEMBER 2018



Have your say

At this time every year, we review our rent charges. This leaflet aims to inform you of this process prior to any increase starting in April 2019.

When setting rents we always aim to ensure that a balance is struck between the services we provide, the costs of those services and affordability.

Your feedback is extremely important and we use it to help our Board make a decision on rent levels.

You can give feedback in a number of ways; by completing our questionnaire at the back of this leaflet and returning in the stamped addressed envelope provided, online via our website or by speaking to your Housing Officer.

Details on the timeline are provided below:



YOUR VOICE



INSIDE THIS CONSULTATION:

- Why is a rent increase necessary?
- Where does our income come from?
- How your rent is used
- What we achieved last year
- Do our rents represent value for money?
- How is the rent increase worked out?
- How will this increase affect rent levels?
- What happens now
- Your views – questionnaire

Rent Consultation timeline:

Survey available to all tenants:	week commencing 10 December 2018
Survey closes on:	21 January 2019
Feedback and final notification to be issued:	beginning of March 2019
Proposed rent increase effective from:	1 April 2019



Why is a rent increase necessary?

Weslo is committed to keeping rents affordable. However, when doing this we need to take a number of factors into account:

- The need to continue and ultimately enhance our service
- The cost of bringing your homes up to The Scottish Housing Quality Standard (SHQS) and the energy efficiency standard (EESH), as demanded by the Scottish Government and The Scottish Housing Regulator
- The ongoing costs of managing and maintaining your homes
- Inflation

If we set too low an increase this could lead to higher rents in the future and a reduction in our ability to invest and improve your homes in future years. It is important that Weslo has sufficient funds to invest in your homes, to repay any money we borrow in terms of capital and interest payments and to assist the Government in meeting the need for affordable housing.

Where does our income come from?

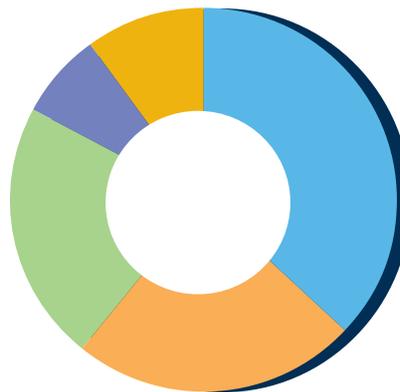
Our income comes from a variety of sources but primarily from the rents we collect.

How your rent is used?

Your rent is used to ensure we have money to repair, maintain and carry out required upgrades to your home, manage neighbourhoods, and provide housing management services and advice.

For every £ we spend

- 37p is spent on managing your home
- 24p is spent on repairing and maintaining your home
- 22p is spent on depreciation
- 7p is spent on office overheads
- 10p is spent on external services



Operating Costs

- Managing your home
- Repairs & maintenance
- Depreciation
- Office overheads
- External services

What we achieved 2017/18

In 2017/18 the Board agreed a 3.2% increase. This helped us to undertake the following planned works as part of our commitment to invest in our properties:

Planned work / investment	*Cost £
Insulation	£1,200,000
298 new bathrooms installed	£942,406
119 new energy efficient boilers installed	£187,301

*Figures relate to 2017/18 spend.



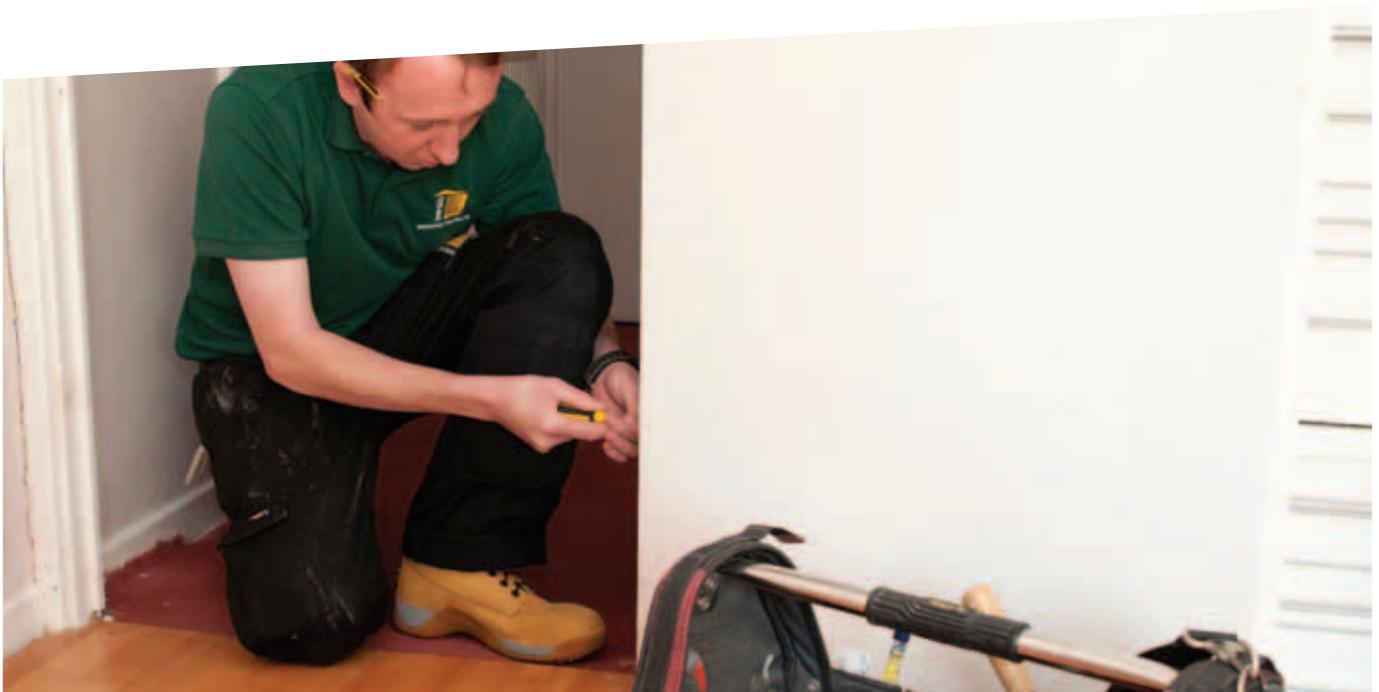
We continue to invest in new technology, which will bring efficiencies to the way we currently work and improve the service we provide.

Do our rents represent value for money?

Our latest Performance Report highlighted that 84% of our tenants feel our rents represent good value for money just ahead of the Scottish average of 83%. When setting rent charges, we need to ensure we have the ability to maintain our services and investment in your homes.

Size of home	Number owned	Our average weekly rent	Scottish average rent	Difference %
Studio	11	£56.61	£67.44	-16.1%
1 bedroom	248	£68.98	£73.33	-5.9%
2 bedroom	978	£74.15	£74.94	-1.1%
3 bedroom	1020	£80.60	£81.37	-1%
4 bedroom	90	£93.72	£90.93	+3.7%

*Figures correct at Feb 2018





How is the rent increase worked out?

The rent increase is based on the September 2018 RPI figure (Retail Price Index) of 3.3%. In order to provide you with information prior to any decision being made by our Board of Management on 6 February 2019, and in order to maintain our commitment to you to limit rent increases to no more than the rate of inflation plus 1%, we are considering a range of options for the rent increase effective from 1st April 2019.



How will this increase affect current rent levels?

The table below shows the current average rent figures across our area of operation for different house sizes and what different increases would mean to your weekly rent.

Size of home	Current average weekly rent (no change)	RPI % Increase	New weekly rent	RPI % Increase + 0.5%	New weekly rent	RPI % Increase +1%	New weekly rent
Studio	£56.61	3.3%	£58.48	3.8%	£58.76	4.3%	£59.04
1 bed	£68.98	3.3%	£71.26	3.8%	£71.60	4.3%	£71.95
2 bed	£74.15	3.3%	£76.60	3.8%	£76.97	4.3%	£77.34
3 bed	£80.60	3.3%	£83.26	3.8%	£83.66	4.3%	£84.07
4 bed	£93.72	3.3%	£96.81	3.8%	£97.28	4.3%	£97.75

Your views

Rent Consultation questionnaire

Please complete the following questions by ticking the most appropriate answer and returning the completed form in the stamped addressed envelope provided. Alternatively, you can complete this questionnaire online via our website www.weslo-housing.org

Q1. Do you agree that Weslo should continue to invest in your homes and the services provided to you by increasing your rent?

- | | |
|--|---|
| <input type="radio"/> Strongly agree | <input type="radio"/> Somewhat disagree |
| <input type="radio"/> Somewhat agree | <input type="radio"/> Strongly disagree |
| <input type="radio"/> Neither agree nor disagree | |

Q2. Do you feel your rent is affordable?

- Yes
 No

Q3. Do you agree that a rent increase is necessary to maintain service and investment in stock

- | | |
|--|---|
| <input type="radio"/> Strongly agree | <input type="radio"/> Somewhat disagree |
| <input type="radio"/> Somewhat agree | <input type="radio"/> Strongly disagree |
| <input type="radio"/> Neither agree nor disagree | |

Q4. How satisfied are you that the information contained in the Rent Consultation leaflet has provided you with sufficient information and the means to allow you to participate in the consultation?

- | | |
|--|---|
| <input type="radio"/> Very satisfied | <input type="radio"/> Somewhat dissatisfied |
| <input type="radio"/> Somewhat satisfied | <input type="radio"/> Very dissatisfied |
| <input type="radio"/> Neither satisfied nor dissatisfied | |

Additional comments – please use the box below to provide additional information relating to the proposed Rent Consultation.

Thank you for submitting your views.

Remember to complete and return the questionnaire by **21 January 2019**.





Investment

We are proposing to continue with our programme of investment in stock to refurbish bathrooms, replace heating systems and install smoke/heat detectors. Any increase in rent will help to fund this. Longer term, without an increase there would be a reduction in the services we provide and may impact on our ability to meet our regulatory obligations in terms of ensuring our properties are meeting the required standards.



What happens now?

Your views are extremely important to us and we would urge you to respond to this consultation by 21 January 2019 to allow your comments to be considered by our Board at their meeting on 6 February 2019.

There are a number of ways you can participate:

1. Completing the questionnaire and returning to us in the stamped addressed envelope provided
2. Completing the questionnaire and handing it into your local Weslo office
3. Visiting our website **www.weslo-housing.org** and complete the questionnaire online

If you need assistance to complete the questionnaire, please contact us on **01506 634060**.