

2025/26 RENT CONSULTATION



**YOUR VIEWS
MATTER**

Paragon applies a rent increase each year on 29th March. We are required by law to consult with tenants about any proposed change. We must also explain what different rent options may mean for tenants. This newsletter is the start of the consultation process.

Why are we asking you for your views on the proposed rent options?

The Association's Management Committee will decide on next year's rent increase in January 2025. The decision they make will take into account the views of tenants. We recognise the importance of seeking feedback from our tenants. We want to inform you about the impact different rent options have on how we can improve your homes and the services we offer.

No time to read this newsletter in full? Then visit our Facebook Page for a video summary instead. Also contact us if you need it in a different format.

What about the impact on tenants?

As a registered social landlord we try to keep rent affordable for all our tenants. Rents are only increased by the amount needed to invest in your homes to keep them in good condition, maintain services offered and ensure that we can offer housing as a financially viable organisation.

We understand the impact that the continuing cost of living crisis is having on tenants and that many of you are struggling with higher prices for energy, food and general living costs. Many tenants are having to make difficult choices about heating homes and buying food.

Over the last 4 years we have delivered a rent freeze followed by below inflation increases of 2.9% & 4%. Last year's increase was 6.3%. This means the income available to us has reduced in "real terms" as rent increases have not kept up with rising costs. This affects medium to longer term investment.

When we are looking at annual rent increases, we look closely at the Association's finances and planned works. We also look at comparability with other social landlords. This includes looking at proposed increases. The most common option for other Housing Associations for next year is between 4.5% and 5.49%. All three local authorities in our area are consulting on proposed increases between 7% and 10.5%

INFLATION

When calculating proposed rent increases the Association normally uses a formula linked to inflation. Normally we use the Retail Price Index (RPI). We are also looking at the impact of the Consumer Price Index (CPI).

	RPI	CPI
Oct 23	6.1%	3.9%
Oct 24	3.4%	2.3%
Nov 24	3.6%	2.6%

Our long-term projections are based on rents rising at the start of each financial year by RPI plus 1%, using the rate of RPI as at November each year.

We look at rents year on year to see what level of increase should be applied.

For 2021/22 we applied a rent freeze and for 2022/23 we applied a below inflation rate of 2.9%, with a 4% increase being applied in 2023/24. Last year the increase was 6.3%

CONSULTATION OPTIONS

2025/26

3.9% 4.5%

A 3.9% increase would produce around £324,000 additional income and a 4.5% increase would produce around £358,000 additional income. The aim is to use this additional £34,000 to add back into the investment programme primarily through new kitchens.

We know that any rent increase is unpopular. However, the costs of providing our services and keeping neighbourhoods safe and tidy has risen significantly in recent years, and we do not expect these costs to reduce.

Repairs, Maintenance & Investment

Our biggest expense is carrying out repairs and maintenance and improving homes and neighbourhoods. We are expecting to spend over £3 million repairing & improving our homes and neighbourhoods in 2025/26.

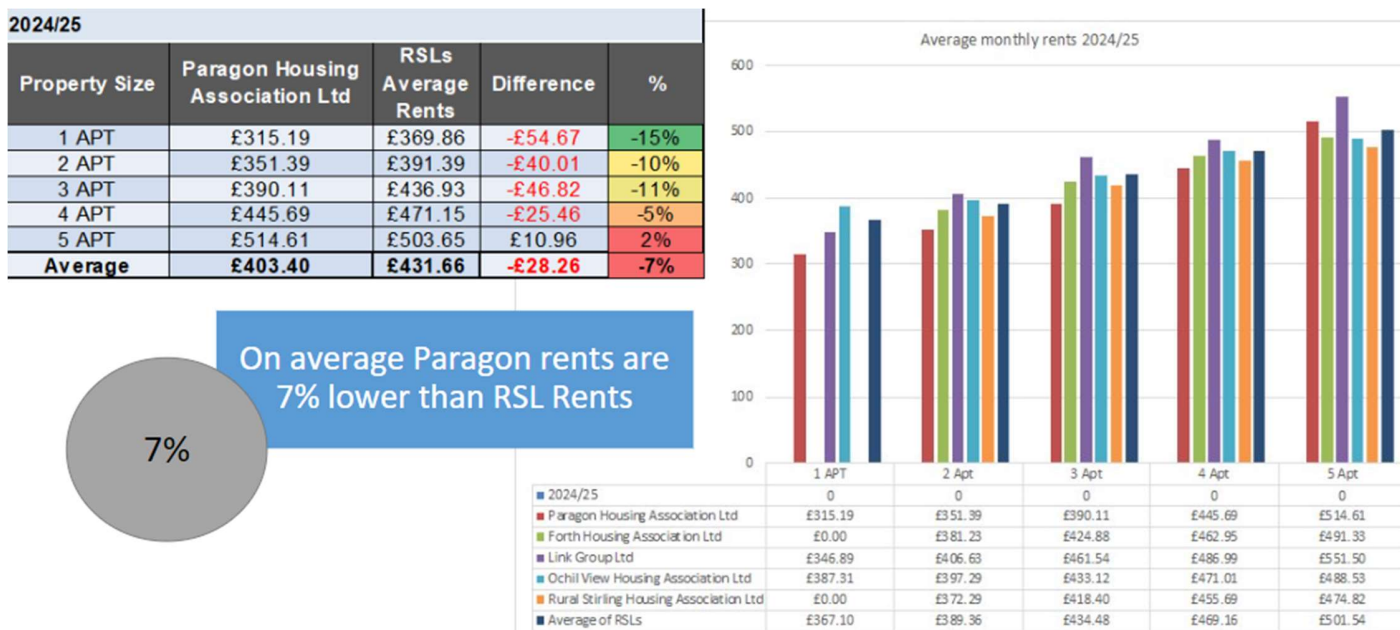
There are a number of options depending on which rent increase is chosen. Various projects are planned. You will be notified individually of works planned for your home during the year. If you would like to join in any of our working groups looking at how we specify and procure works please get in touch.

- Roofing works
- Painterwork – Clackmannanshire area (part)
- Pre-painterwork repairs – Falkirk & Clackmannanshire area (part)
- Electrical Inspection Condition Reports (EICRs) approximately 300 properties part of rolling 5 year programme
- Heating & Hot Water boiler/system replacements
- Kitchen Replacements – ongoing project
- Sanitaryware (Bathrooms) Replacements
- Environmental Works – landscape maintenance



Affordability and Rent Harmonisation

Every year we take a close look at affordability. This year our independent consultants Arneil Johnston updated their comprehensive review of the affordability of our rents as part of the ongoing rent harmonisation exercise. Overall Paragon's rents remain affordable and compare well to other housing associations.



The conclusion of the review was that most household types need to devote less than 25%, and in many cases less than 20% of their income to rent. There are only a very small number of households that breach the 30% rent to income ratio.

We have recently consulted with you on the impact of proposed changes to the way rents are set and the best way to phase in these changes. We call this a rent harmonisation exercise. We are still considering your feedback to inform a new Rent Setting Policy to be taken to Management Committee in early 2025. We are considering an option whereby 2025/26 is an interim transitional year with the phasing for full implementation starting in April 2026.

However, we understand that paper assessments and calculations whilst useful, do not take into account real household circumstances and we are looking at ways to minimise the impact of the 2025/26 rent increase on properties with the highest rent levels at present.

From April 2025 we are considering an option to move the rent for any empty (void) properties only across to the new rent level. By only doing this when the rent level is set to increase, we can also look to ensure that no individual tenancy will see a rent increase of more than £20- £25 a month (£4.62 - £5.77 a week). All tenancies would then see the move to new rents phased in from April 2026.

If you want to know more about the proposed transitional arrangements please contact us by email enquiries@paragonha.org.uk or phone (01324) 664966.

What are the options for the April 2025 Rent increase?

We can't give details of all rents but we hope this table gives you an indication of what each level of increase does to average rents across the three local authority areas.

The table below shows how average [weekly] Paragon rents would be affected by a rent increase of 3.9% or 4.5%

Council area	Size	Cottage (house / bungalow)	4 in a block	Flat / maisonette	Total	Weekly Rent	3.9% increase	4.5% increase
Clacks	1 APT	0	0	3	3	£71.68	£74.47	£74.90
	2 APT	1	4	4	9	£86.59	£89.97	£90.49
	3 APT	215	0	1	216	£90.54	£94.07	£94.61
	4 APT	127	44	0	171	£101.01	£104.95	£105.56
	5 APT +	17	0	0	17	£108.73	£112.97	£113.62
	Clacks Total	360	48	8	416	£95.37	£99.08	£99.66
Falkirk	1 APT	0	0	5	5	£73.37	£76.23	£76.67
	2 APT	10	26	82	118	£78.92	£81.99	£82.47
	3 APT	189	25	236	450	£89.16	£92.63	£93.17
	4 APT	144	1	133	278	£101.67	£105.64	£106.25
	5 APT +	24	0	1	25	£127.89	£132.88	£133.65
	Falkirk Total	367	52	457	876	£92.77	£96.39	£96.95
Stirling	2 APT	30	0	8	38	£86.53	£89.91	£90.43
	3 APT	42	0	1	43	£96.55	£100.31	£100.89
	4 APT	76	0	1	77	£111.18	£115.52	£116.19
	5 APT +	1	0	0	1	£127.49	£132.47	£133.23
	Stirling Total	149	0	10	159	£101.44	£105.39	£106.00
Overall Total	876	100	475	1451	£94.46	£98.15	£98.72	

What about New Build Properties?

The way new build homes are financed means that stopping their development would not save the Association money or help to keep rents affordable for existing tenants. We are planning to keep building a small number of new homes over the next 2 years.

What does the increase mean for the Association's income and expenditure and how does that affect me and my home?





Here is the estimated increase in income for the Association for each option. We know costs are rising so we need to increase rents to cover these.

Increase	Additional Income
3.9%	£324,000
4.5%	£358,000

The lower the increase, the longer it will take to carry out improvements to homes. What do you think? There are lots of ways you can make your views known – including evening sessions.

NEED A LITTLE HELP? It's good to talk.....

We appreciate that in the current cost of living crisis it might not just be rent that tenants are struggling to pay. Even if you are not in arrears with your rent but are struggling with other costs it is worth contacting us to discuss your situation and the help that might be available. Over the past 18 months the Association has received funding and support from a number of sources enabling us to offer help, advice and practical assistance to both new and existing tenants. See our Winter Newsletter for more information on how we may be able to help you. You can find a copy on our web site if you no longer have one sent out in December.

WANT TO FIND OUT MORE?	TIMETABLE
<p>If you want more information, you can get a copy of our more detailed Rent Briefing Paper which will be available from 7th January 2025 or just call us on 01324 664966 and we will try to help</p> <p>Online  www.paragonha.org.uk There will be a link from the Home Page to the Briefing</p> <p>By Post  Phone 01324 664966 and we will post you a copy</p> <p>E mail  Request via enquiries@paragonha.org.uk</p> <p>In person  Call into reception or pick up a copy at our drop in session</p>	<p>Please return your online and paper surveys direct to the Association by Friday 17th January 2025.</p> <p>We have asked our research partner, Knowledge Partnership, to carry out a Sample Phone Survey from Tuesday 7th January to Friday 17th January 2025. If they phone you, we would appreciate you taking the time to answer their questions. It should take no more than 5 minutes. Also, if you have given Paragon HA your email address, Knowledge Partnership will send you a copy of the survey by email.</p>

WE REALLY NEED YOUR VIEWS AND WE ARE OFFERING LOTS OF WAYS TO GET INVOLVED -INCLUDING OUT OF OFFICE HOURS

Focus Group / Drop In / Call Back Service

If you want to attend the Focus Group, contact us on 01324 664966 or email enquiries@paragonha.org.uk to tell us if you are coming. We can provide transport if required. If you have any particular needs, we may be able to help e.g. big print materials etc.

Tuesday 7th to Friday 17th January 2025	
Telephone Survey Sample survey being undertaken by Knowledge Partnership	
Friday 10th January 10:30 AM	Rent Focus Group – Paragon Office (option to join on line) Come along and find out in more detail what information is considered when making a decision about rent increases. Give us a call or drop us an email for more details
Tuesday 7th– Friday 16th January (including outwith normal office hours)	Call Back Service Request a call back (including after office hours) by email or phone then our staff will give you a call to hear your views and provide you with information as required.
Monday 13th January 10.30 – 12.30	Drop in Session – Paragon Office Grangemouth
Monday 13th January 1.30 – 3.30pm	Drop in Session Clacks – Sauchie Community Hall
Tuesday 14th January 2.00 – 4.00pm	Drop in Session Stirling – Stirling Civil Defence Club
Wednesday 15th January 6pm Evening online session	Online – presentation and Q&A session

Returning your survey form

Please check that you have completed all of the questions, and then post the survey back to Paragon HA in the pre-paid envelope by **FRIDAY 17th JANUARY 2025**

Paragon HA Rent Survey 2025/26

Use the paper survey or visit our web site on www.paragonha.org.uk for an online survey

Q1. For 2025 to 2026 do you think that Paragon HA's rents should? (Tick one box only)

3.9%	4.5%	Apply a different increase In this case, what level of rent increase would you support? (Please write in the percentage below)
<input type="checkbox"/>	<input type="checkbox"/>	

Q2. What do you think should be the three main priorities that guide any rent increase decision for 2025/2026? (Please tick up to THREE boxes only representing your three main priorities)

The affordability of rents for tenants	<input type="checkbox"/>	Providing additional services for tenants such as information and advice on welfare benefits, energy advice etc.	<input type="checkbox"/>
Improving existing housing stock	<input type="checkbox"/>	Providing extra help for tenants moving into new homes & helping existing tenants who are struggling to maintain their tenancy	<input type="checkbox"/>
Prioritising resources for day to day repairs and maintenance services	<input type="checkbox"/>	Improving the estates in which properties are located e.g. improved common areas, paths, fencing etc.	<input type="checkbox"/>
If you think Paragon HA should have different rent setting priorities, please write these in here:			

Q3. Are you satisfied with the level of consultation and information provided in relation to this annual rent increase?

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

Q4. Do you have any suggestions for how Paragon HA can improve its rent consultation activity?

Q5. Do you agree that the Association should consider restricting the 2025/26 rent increase to no more than £20 - £25 a month ?

Yes	No	No Strong Views
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q6 . Do you receive housing benefit or universal credit? (Tick one box only)

Full housing benefit	Partial Housing Benefit	Universal Credit	Do not receive any benefits	Rather not say
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q7. If you would like to be re-contacted by Paragon HA to discuss this rent consultation or would like to discuss any of the cost of living initiatives outlined in the newsletter, please provide your contact details below. You only need to provide this information if you want Paragon HA to contact you.

Name	Address	Telephone:	Email address

PLEASE RETURN BY FRIDAY 17TH JANUARY 2025