

Rent Special

February 2020



Telephone Surveys proved popular last year so we did this again with 121 responses. The tenancies were chosen at random and contacted by the Knowledge Partnership, an independent organisation.



E Mail Surveys – an email option was available to everyone we hold an email address for again this was organised by the Knowledge partnership but with a low response rate.



Paper Surveys – were open to all and were well used with 101 responses. There were some comments suggesting that we should just use on line or email surveys to save some money but on balance paper surveys continue to be the best way to ensure everyone has an opportunity to participate.



Drop in session – we did not hold any on site Road Shows this time round as we had a very low response last year so we just organised one Drop In held in our office on 13th Jan which ran from 2 until 7. There was a low response to this.



Phone Back Service – with out of hours option – we had a bit of feedback last year from people who could not make it along to a Drop In Session or Rent Focus Group during working hours. Whilst the response was low we did speak to a couple of tenants who would not otherwise have taken the opportunity to feedback to us.



Online Web Site Form – low response to this option but the facility was available on our web site from 7th January so some people may have sent back their form before the online version was live.



Focus Group – was well attended and there was a good level of detailed discussion held around rent issues and priorities.

What you told us

Thanks to everyone who took the time to get in touch with us on the rent consultation. We used a number of ways to consult with tenants taking account of experiences from last year's rent consultation and your feedback.

SURVEY RESULTS



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As part of the survey we asked:

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

The response was

91.5%
satisfied

Rent Increase
2020/21
3.1%

See Page 3 for the action you need to take now and the help we can provide.

How we made the decision

It's A Balancing Act

Making the decision was based on looking at the feedback we received on rent levels and priorities, considering the impact on the viability of the organisation and our ability to deliver investment and services.

Looking At The Options



The Decision

Taking all the factors into account the decision was made to increase rents by 3.1% - including lock up rents. Rents for recent new developments are set differently and these tenants will be advised directly of this.

Fixing rents at this level will allow us to continue to invest in homes and meet our other obligations.

Future Rent Levels – Rent Harmonisation ?

At the same time as looking at the actual increase to be applied we looked at issues around differences in rent levels for similar type properties as these can vary as a result of a number of factors including how the property was acquired by the Association.

We are going to look at rent structures going forward and are looking to undertake a rent harmonisation exercise with your involvement

The aim would be to have consistent and transparent rent setting across all properties. The work would involve looking at all rents charged and the basis of the charge. Other housing associations and councils which have undertaken this type of exercise have looked at factors such as location, heating type, bedroom size, energy efficiency and more and use a points system to then determine the rents. We would look to get your views on the best way forward on this.

It is a big exercise and we will be looking at getting the ball rolling on it in Spring 2020. We will tell you how you can get involved in our next newsletter.

As with last year, we took the starting point as the range of inflation measures as at November 2019 plus a 1% maximum above RPI. These ranged from 1.5% to 3.2% the RPI figure. The lower figure was based on CPI inflation as at November 2019 and the higher figure represents RPI plus 1% as at November 2019.

The priorities that came across strongly in the consultation exercise were investing in your homes and keeping rents affordable.

Our Finance Team ran the options through our financial model. This showed that at the lower end of this range there would be significant issues delivering the services and the investment we need to provide, particularly over the next 5 years. This includes the need to provide heat and carbon monoxide detectors in all our tenants' homes as a result of the newly introduced Fire & Carbon Monoxide

Detectors (FCMD) legislation through the Housing Scotland Act.

We have looked at costs of repairs including those to empty homes where the costs are rising and the costs of dealing with increased waste management issues.

We also to have pay the costs of running the Association and pay back loans to lenders in line with what we have agreed with them. Projections based on lower level increases show issues in meeting loan covenants in the years of particularly high expenditure.

We also looked at rent affordability and carried out an exercise to look at this. You can find out more about this from our Affordability Briefing Paper on our web site. At the higher end then rents become potentially unaffordable particularly for certain types of properties and/ or certain household profiles.

AFFORDABILITY

Affordability is based on the idea that everyone should have access to a warm home that they can afford as the starting point of good health and wellbeing. We appreciate that tenants all have different financial circumstances and obligations.



How your rents compare

Paragon rent levels continue to compare favourably to rents charged by other housing associations including other Forth Valley associations.

GEOGRAPHICAL PEER GROUP INCLUDING COUNCILS 2018/19

	1 Apt	2 Apt	3 Apt	4 Apt	5+ Apt	Average
Stirling Council	£55.22	£62.40	£64.61	£67.21	£68.95	£65.10
Falkirk Council	£48.25	£54.99	£65.37	£73.73	£84.44	£66.53
Clackmannanshire Council	£68.94	£70.59	£72.39	£74.23	£76.32	£72.45
Paragon Housing Association Ltd	£60.35	£65.35	£73.52	£84.76	£98.59	£77.34
Scottish Avg	£70.22	£76.10	£77.70	£84.43	£93.49	£79.07
Weslo Housing Management	£58.82	£71.26	£76.96	£83.93	£96.98	£80.06
Rural Stirling Housing Association Ltd	NULL	£72.49	£81.97	£89.15	£95.18	£80.30
Ochil View Housing Association Ltd	£66.52	£74.63	£81.46	£88.11	£90.91	£81.79
Link Group Ltd	£65.39	£77.46	£88.43	£96.86	£105.63	£84.85

Source SHR ARC Return - The rents charged also compare favourably with rent charges by other Associations who have similar housing stock types and organisational profiles.

Rents for individuals

At an individual level we discuss rent payments and obligations with new tenants as they sign up and the Tenancy Management Team are there to help if tenants have problems in paying rent. We publicise this in our newsletters and would urge anyone experiencing difficulties to contact them. They can help with budgeting and benefits advice and looking at options such as moving to a property with a lower rent. We also have a programme in place to improve energy efficiency across the housing stock to cut energy use and so save on fuel consumption.

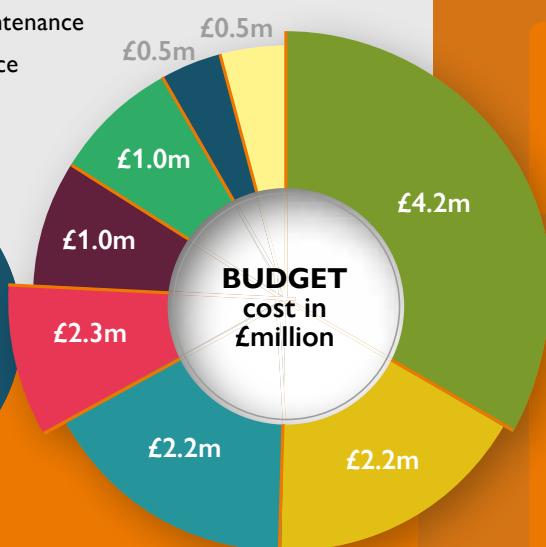
£13.9 million Investment 5 Year Plan - from 2019/20

Including £1 million per year on repairs

Investment 2019/2020 FORECAST EXPENDITURE

COMPONENT

- Insulation/External Rendering/Roofs
- Electrical - inc Smoke & CO Alarms
- Heating—New & Replacement
- Kitchen & Bathrooms
- Windows & Doors
- Door Entry Systems, new/replacement
- Other planned maintenance
- Reactive maintenance



The Investment Special Newsletter advising the 5yr planned works was issued February 2019, please contact us if you require a further copy.



PAINTERWORK
inc gutter clean
(326 Properties)
£170,000



**ROOFING/RENDERING/
EWI/CWI**
(184 Properties over 2yrs)
£800,000



ELECTRICAL WORKS
inc Smoke/Heat & CO Alarms
(537 Properties)
£636,000



SANITARYWARE & KITCHENS
(101 properties)
£290,000



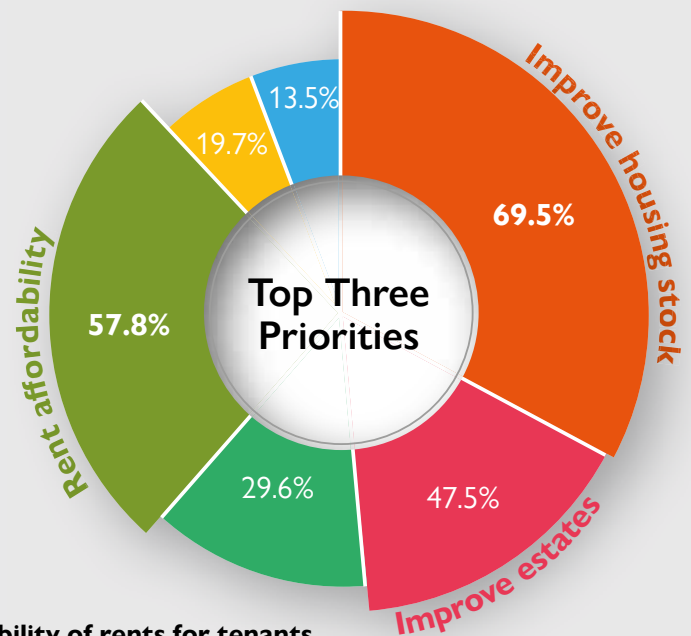
GAS C/H & BOILERS
(92 Properties)
£359,000

Total Forecast:

£2.06 million

Your Top Three Priorities

In the rent consultation survey we asked what you considered to be the top 3 priorities for Paragon. There are 3 clear front runners and they are improving existing housing stock, affordability and improving the estates in which properties are located.



- **Affordability of rents for tenants**
- **Improving existing housing stock**
- **Building more new homes**
- **Providing additional services for tenants e.g. information and advice on welfare benefits, energy advice etc.**
- **Providing extra help for tenants moving into new homes**
- **Improving the estates in which properties are located e.g. improved common areas, paths, fencing etc.**

What you said and what we are doing ...

YOU SAID:

“Provide help with cost of uplift of bulky items – ideas include a payment plan or communal skip”

The issues around waste collection were highlighted in our Winter Newsletter. Waste collection is the responsibility of the local authority and arrangements and charges can vary across them.

WE SAY:

“Great ideas – explore these with us as part of our consultation over the next few months”

We are aware of the issues of dumping and misuse of bins and if we have to clean it up then your rent money is used. Work with us to keep areas clean and save the rent money.

YOU SAID:

“Don’t forget the stock areas which don’t have a lot of Paragon homes”

All estates are inspected regularly but it can be difficult to make improvements in communal areas where there may be home owners who would need to pay for improvements.

WE SAY:

“We are on it – join in and find out more about our review of our Estates Strategy & Factoring Policy”

A working group will be taking the reviews forward and tenants and homeowners are invited to take part.

YOU SAID:

“The quality of the repairs service needs improved”

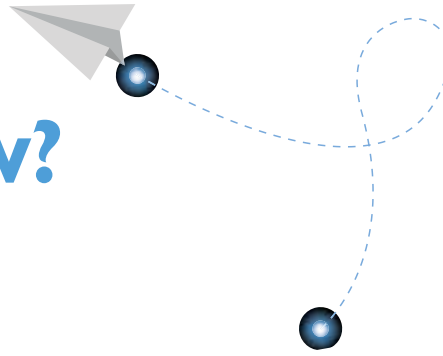
WE SAY:

“We agree and we are working with our main repairs contractor The McDougall Group to improve performance. If you want to get involved in scrutinising performance or have a specific repair issue please get in touch.”

Senior managers from both organisations are regularly meeting to review performance and discuss specific issues.

Our Tenant Scrutiny Group met with our repairs contractors and discussed performance. We are carrying out a business process review of repairs in March, supported by our Internal Auditors. Get in touch if you would like to take part.

What do you need to do now?



If you are in receipt of Universal Credit (UC), you must notify UC of your new rent using your online journal to report a change to your housing costs. You must report this change as soon as possible after the 29th of March - if you do not then you will not receive your full entitlement to housing costs and may fall into rent arrears. Please note that you will be unable to report this change before the 29th of March.

If you are in receipt of Housing Benefit, we will notify your local council of the new rent. The Council will contact you directly with your new entitlement.

If you pay by Standing Order, you will need to amend your payment amount with your bank.

Ways to pay your rent:

Rent is due monthly in advance on the 29th of each month. If you prefer, we can offer you a weekly payment arrangement, but you must agree this with us.

- **Bank Standing Order**
- **Internet Banking** – please contact us to confirm our details and your reference number
- **Allpay card** which can be used at the Post Office or any shop/outlet displaying a Paypoint sign
- **Online using an Allpay card** – you will have to register your card at www.allpayments.net
- **In person at the office**
- **Debit card by phone or in person** (credit cards not accepted). Call **01324 664966** – we will send you a receipt
- **By post by cheque to the office** – we will send you a receipt

What if I need help to pay my rent?

If you don't already receive help with your rent but are on a low income or out of work, then you may be able to claim one of the following benefits:

Universal Credit – if you are working age or part of a mixed age couple (where one member of the couple is over Pension Credit qualifying age and the other is working age) then you can claim Universal Credit for help with rent & living costs. You can apply online at: www.gov.uk/apply-universal-credit

Please note that you **cannot** currently claim Universal Credit if you get a Severe Disability Premium (SDP) included in your award for Housing Benefit, Income Support, Income-related ESA or Income-based JSA.

In addition, if you are part of a mixed age couple already in receipt of Pension Credit or Housing Benefit and you or your partner reached Pension Credit qualifying age on or before 14th May 2019, then you do not need to apply for Universal Credit.

Housing Benefit – if you are Pension Credit qualifying age (gradually changing but currently applies to anyone born on or before 5/6/1954) OR one of the above exemptions apply then you can claim Housing Benefit for help with your rent. You can apply for this by contacting your local Council.



If you need any help or advice with Housing Benefit or Universal Credit, then please contact our Tenancy Management Team on **01324 664966**.



CHAT is our “Call at Home About your Tenancy” programme. Our Tenancy Management Team are out and about in your estates and often meet with tenants in their homes to discuss how things are going and deal with any particular issues.

Most people appreciate this service and the Team can offer valuable support and advice as part of this.

We are aiming to visit every tenant at least once every two years. There are lots of reasons why we think these visits are important:

- Update household information, to help us to deliver quality and timely services that are tailored to individual needs and that ensure the best use of resources and value for money.
- Check the condition of properties
- Help identify any support needs enabling us to refer to specialist agencies for individual support. This may be financial support, or for example help to find a better energy tariff, or perhaps a referral to support agencies such as your local foodbank
- Identify breaches of tenancy
- Enable us to process any requests you might make for assignments, successions, and sole to joint tenancy request.

To date we have visited around a third of properties and the feedback is very positive with over 90% of tenants visited telling us they are satisfied with Paragon as their landlord and with the quality of their home.



If there is anything at all that you would like to discuss with us, or you would like to arrange your CHAT visit now then please contact the Tenancy Management Team on 01324 664966 or email us at enquiries@paragonha.org.uk

*If you think we might be able to help you then why not phone us on **01324 664966** and arrange your CHAT visit.*

Paragon Housing Association Limited
Invergrange House, Station Road,
Grangemouth FK3 8DG

Telephone: **01324 664966**
Email: enquiries@paragonha.org.uk
www.paragonha.org.uk

SHR Registration Number: HAL 298
Scottish Charity No: SC 036262
Property Factor Registration No: PF000282