

Rent Special

February 2019

www.paragonha.org.uk

**Rent Increase
2019/20
2.9%**

See Page 4 for the action you need to take now and the help we can provide.



What you told us



How we made the decision



How is your rent spent



Investment & Services
£11.5 million Investment – 5 Year Plan



Your Priorities
Affordability and How your rents compare



What you need to do now and How can we help?

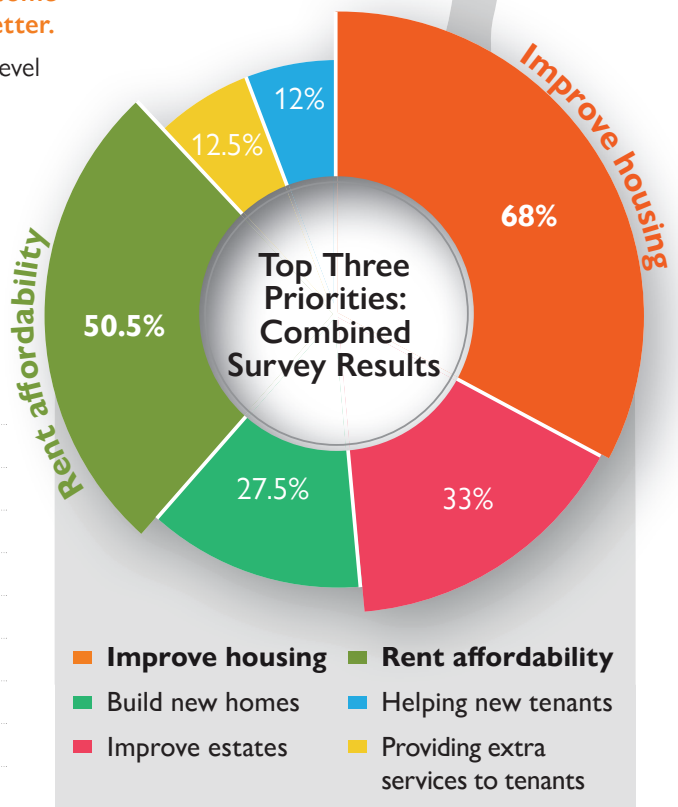
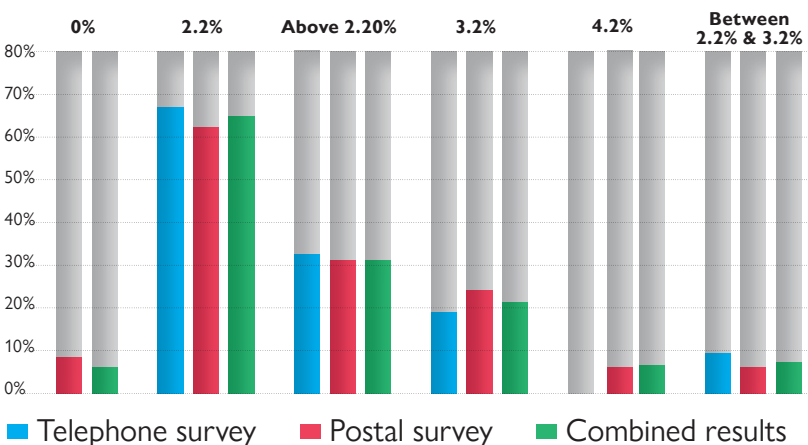


What you told us

About 14% of you completed a rent survey, some by telephone and some by returning the survey on the back of our rent consultation Newsletter.

Although the phone and postal surveys gave similar results in terms of the level of increase you thought we should apply, there were wider discrepancies when it came to identifying your top three priorities. For example 21% of those returning a postal survey thought help for new tenants should be a priority whilst only 4% of those completing the telephone survey felt the same.

Consultation Response - Level of Increase



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.



Your Views Matter

There was a good level of response to the consultation exercise this year – much better than last year.

We understand that rent increases do impact on tenants and we want to keep hearing your views. If you are interested in getting involved in our work contact our Housing Management Team.



Looking At The Options

The Finance Team projected the impact of increasing rents across a range of 2.2% to 4.2%. The lower figure was based on CPI inflation as at November 2018 and the higher figure represents RPI plus 1% as at November 2018. This was reported on to the Management Committee.

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

At the lower end of this increase range there are issues about us being able to deliver the services and the investment we need to provide particularly over the next 5 years - for example major roof replacement work and meeting the EESSH and SHQS standards required by the Scottish Government.

We also have to 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 start to show future deficits of expenditure against income.

At the higher end then rents become potentially unaffordable particularly for certain types of properties and/or certain household groups.



The Decision

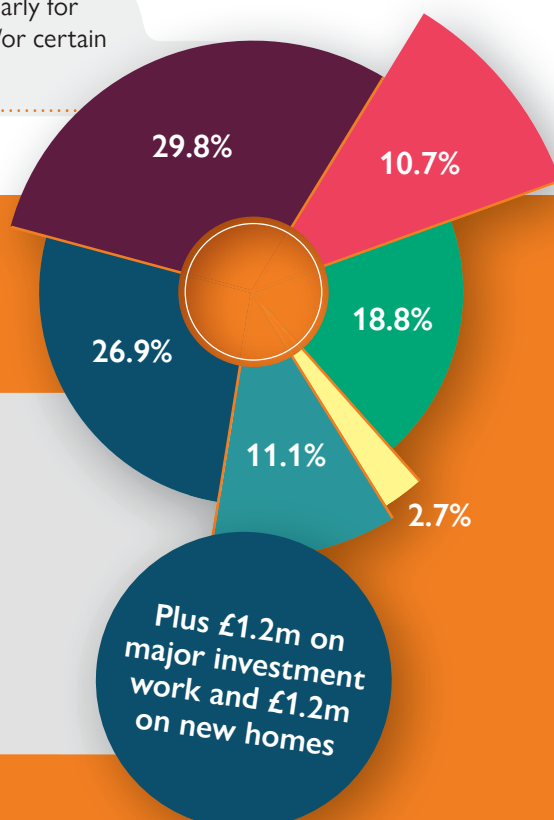
Taking all the factors into account the decision was made to increase rents by 2.9%. - including lock up rents. Rents for recent new developments are set differently and these tenants will be advised directly of this.

Fixing rents at this level will allow us to continue to invest in homes and meet our other obligations. At this level there will be some savings required to and we are looking to absorb these through the running costs of the Association and not by reducing investment or services.



How is your rent spent? 2017/18 Example

- Management cost
- Planned maintenance / special services
- Interest
- Reactive maintenance
- Other expenditure / bad debts
- Future development / loan repayments





Your Priorities

Affordability and Improving Houses

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.

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.

RENTS ACROSS THE HOUSING STOCK

The Scottish Federation of Housing Associations' (SFHA) has developed an Affordability Toolkit that lets us use our rent data and data at a local authority area level on household income to consider if our rents are "affordable". It is based on an assumption of income by household type just above what would typically qualify for housing benefit. This is a "moderate income" approach. Applying this approach across our 2018/19 rent levels demonstrates that whilst rents across our stock continue to be affordable in terms of the model, any increase in excess of 3.2% (the November RPI figure) would see rents for certain household groups (single people, and single parents with 1 child) increase towards the margins of affordability.

Rent ready reckoner

Sample Weekly Rent	Weekly increase of 2.9%	Rent from 29 March 2019
£60.00	£1.74	£61.74
£65.00	£1.89	£66.89
£70.00	£2.03	£72.03
£75.00	£2.18	£77.18
£80.00	£2.32	£82.32
£85.00	£2.47	£87.47
£90.00	£2.61	£92.61
£95.00	£2.76	£97.76
£100.00	£2.90	£102.90
£105.00	£3.05	£108.05

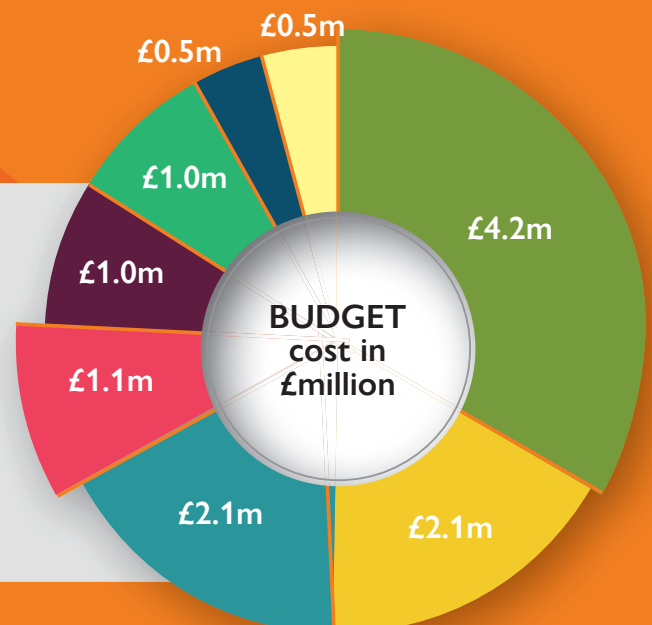
Rent Comparisons

	1 Apt	2 Apt	3 Apt	4 Apt	5 Apt
Scottish Average	£67.44	£73.33	£74.94	£81.37	£90.39
Clacks Council	£67.48	£69.20	£70.96	£72.77	£74.82
Falkirk Council	£46.32	£53.04	£62.95	£71.10	£81.53
Forth HA	n/a	£68.63	£77.00	£84.59	£90.46
Link HA	£64.10	£75.08	£85.97	£94.22	£102.62
Ochil View HA	£65.19	£72.27	£79.19	£85.28	£87.76
Paragon Housing Association Ltd	£58.06	£64.00	£71.69	£81.68	£97.59
Rural Stirling HA	n/a	£69.91	£79.22	£81.68	£97.59
Stirling Council	£54.35	£61.41	£63.60	£66.15	£67.86
Weslo HA	£56.61	£68.98	£74.15	£80.60	£93.72
Private Sector Local Housing Allowances 2018/19	£ 62.38	£ 83.91	£ 03.56	£ 126.58	£ 181.80

£11.5 million Investment: 5 Year Plan - from 2018/19, plus £1m reactive repairs annually

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 inc gas annually



See enclosed Investment Special Newsletter for breakdown of works already undertaken and planned for your estate over the coming 5 years.



What do you need to do now?

How can we help?



What do you need to do now?

- If you are in receipt of Universal Credit, you must notify Universal Credit of your new rent yourself by using your online journal. You must do this 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.
- If you are in receipt of Housing Benefit, we will notify your local council of the new rent and they will contact you directly with your new entitlement.
- If you pay by Standing Order, you will need to change 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 – 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 you may be able to claim Universal Credit for help with rent & living costs. You can apply online at: www.gov.uk/apply-universal-credit

Please note there are a number of exceptions for people who can claim Universal Credit and the Tenancy Sustainment Officer will be happy to advise you if you think you may be exempt for any reason.

Housing Benefit – you may still be able to claim Housing Benefit if you or your partner are of Pension Credit qualifying age. Again, if you want to discuss this then the Tenancy Sustainment Officer would be happy to advise you.

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



Lets chat

In our Newsletter we told you we are aiming to visit every tenant at least one visit 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 assignations, successions, and sole to joint tenancy request.

PARAGON
HOUSING ASSOCIATION LIMITED



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

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