



Rent and Service Charge Consultation

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Rent Review Timetable

- **September 2015:** Initial board meeting to launch rent review process took place
- **January 2016:** Consultation Booklet and comments issued to residents
- **End of February 2016:** Deadline for residents to feedback.
- **March 2016:** Board meeting and final decision made

Cost-based approach

- ▶ Need to balance viability with affordability
- ▶ Income needs to meet key expenditure levels
- ▶ Maintenance costs include 'capital replacement' (replacing equipment that's no longer fit for purpose)
- ▶ Need to take into account property depreciation
- ▶ Need to pay interest on borrowing
- ▶ Need to take staff costs into account
- ▶ Need to adhere to Financial Covenants (rules) – we must always run an operating surplus

The Scottish Housing Regulator's rules

When setting rent levels, the SHR says landlords should:

- ensure the levels are viable;
- ensure rents are affordable;
- be transparent about costs and value for money;
- provide rent consultation periods; and
- Should listen to tenants views.

Rent Consultation 2014/15

Results of the 2014/15 consultation

- 53 comments were returned (1% of our tenants)
- 34% were positive comments
- 38% were negative comments
- 28% were related to issues around repairs/maintenance or specific to individual residents requirements

Tenant Consultation 2013

Our last Tenant satisfaction survey took place in 2013

- 91.2% were satisfied with our overall service (Scottish average was 88.1%)
- 87.6% felt their rent represented good value for money
- 90.1% felt we were good at keeping you informed (Scottish average was 89.3%)
- 76.2% were satisfied with opportunities to take part in decision making (Scottish average was 79.6%)

Tenant Consultation 2015

For 2015, we undertook specific consultation on six housing developments

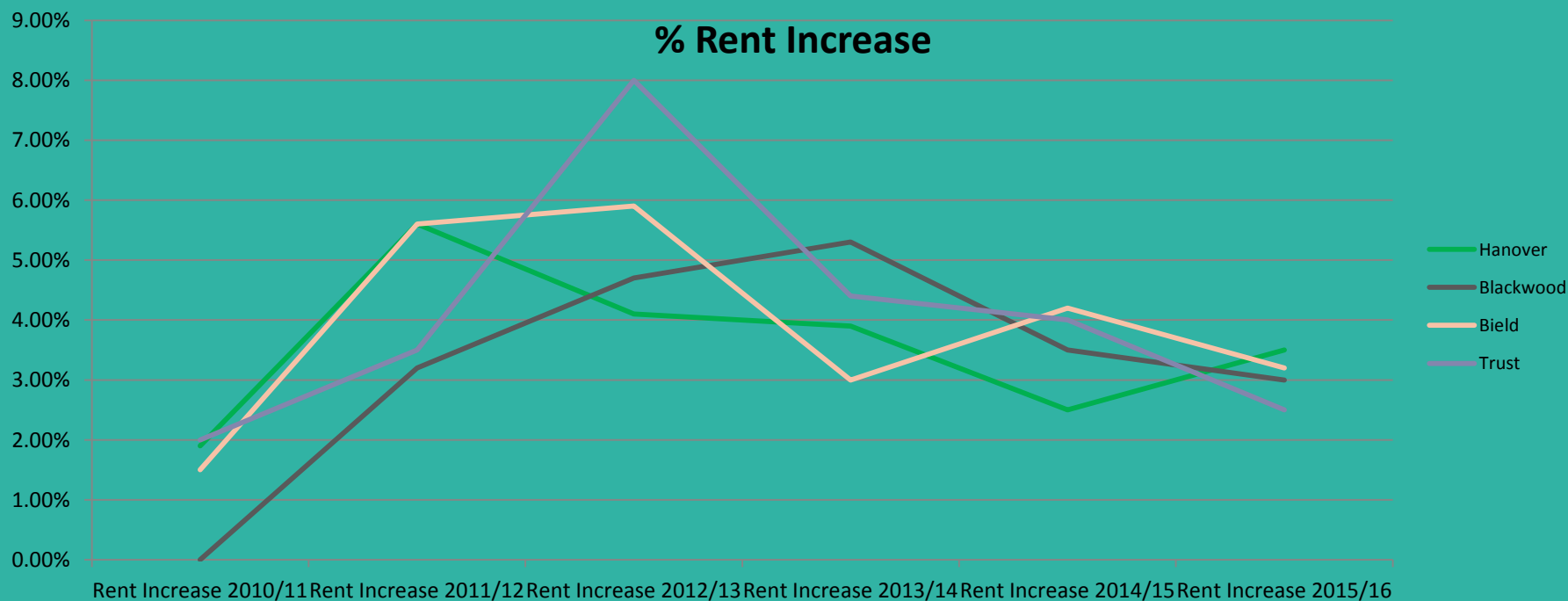
- 88% were very satisfied or satisfied
- 12% were dissatisfied
- We also asked what tenants thought 'Value for Money' meant – most thought it was linked to satisfaction
- Tenants were generally happy with value of their day to day service

Rental comparisons

Average weekly rent for a two-apartment home (this is usually a one-bed flat with a living room)

► Hanover:	£ 94.21
► Bield:	£129.99
► Trust:	£116.29
► Blackwood:	£ 82.01

Rent increases: how we compare historically (1)



Rent increases: How we compare historically (2)

Name of landlord	Average rent increase over past 6 years	Average rent for two-apartment home in 2015/16
Bield	3.9%	£129.99
Blackwood	3.3%	£82.01
Hanover	3.6%	£94.21
Trust	4.1%	£116.29

Our Proposed Rent Increase for 2016/17 is: **3.5%**

Average Weekly Rent for Hanover

	1 apartment home	2 apartment home	3 apartment home	
2014-15	60.74	67.39	75.31	
2015-16	62.87	69.75	77.95	3.5% actual
2016-17	65.07	72.19	80.67	3.5% proposed

Service Charges

- Set on a development by development basis
- Include:
 - Staff costs
 - Cleaning costs
 - Maintenance of grounds, lifts, laundry
 - Replacement of furnishing and equipment
 - Insurance for buildings, plant and equipment
 - Electricity and gas for communal areas

Average Service Charges

Expenditure	£ per property per week
Staff Costs	12.89
Grounds Maintenance	2.50
Window Cleaning	0.35
Property Insurance	0.62
Intercom/Warden Call	1.04
Management and Admin	1.79

Investment in existing properties

The total budget for Repairs and Maintenance (including major a replacement programme) is £20m for next two years (2015/2016 and 2016/2017), an average of £10m a year.

This includes:

- £5 million a year on major replacement programme
- £5 million a year on reactive, cyclical and planned maintenance

Investment in existing properties 2015/16 and 2016/17

	No. of homes (2015/16)	2015/16 £	2016/17 £
Bathrooms	456	1,378,000	1,737,000
Kitchens	118	528,000	580,000
Boilers and radiators	260	1,183,000	1,417,000
Windows	170	800,000	310,000
Intercom/Door entry	653	500,000	100,000

Investment in New Properties Next 3 years

- ▶ 6 new developments
- ▶ approximately 200 properties
- ▶ Private investment of £17.4 million
- ▶ Housing Association Grant of £9 million



Questions

If you have any questions or comments we'd love to hear from you. Please contact:

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Thank you.